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THE CAUSES OF LABOUR DISPUTES IN ALBERTA, 1955-1962: AN ANALYSIS OF COLLECTIVE BARGAINING CRITERIA

by

DAVID PHILLIPS ROSS

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ABSTRACT

This thesis attributes the causes of disputes to conflicts in collective bargaining criteria. Since the majority of disputes involved a wage issue, a general model is required to illustrate the structure within which the individual wage proposals can be viewed. A combination Reder-Reynolds model is selected that allows for the interplay of both economic and political phenomena. In addition, two other concepts are introduced; these are, bargaining maturity, and the key bargain.

In both the public and private sector the process of collective bargaining is designed to estimate the individual worker's value of marginal productivity. Since marginal productivity, in most cases, is impossible to measure, unions and managements in Alberta frequently compare the worker's wage with the wage of some other worker engaged in similar employment elsewhere. Problems thus arise over the selection of the type of worker and the region that will be acceptable for purposes of wage comparison. Once these broad criteria are established, to the satisfaction of both parties, the wages tend to settle into a regional pattern and henceforth collective bargaining proceeds without dispute.

For various reasons it is found that the parties representin the public and industrial sectors have had some difficulty in selecting the appropriate criteria. On the contrary, the parties representing the trades have established a fixed, regional wage structure and wage bargaining seldom leads to dispute.

The other major cause of dispute involves the issue of

union security. Since the issue of union security is founded on personal beliefs rather than economic phenomena it is worthless to examine the criteria presented by the parties. The real cause of conflict distills down to the question of how much power and influence should the unions formally be granted, at the expense of diminishing management's power.

Finally, the less important bargaining issues are examined, but mainly to illustrate their relative unimportance as causes of disputes. It is demonstrated that accepted standards frequently exist that act as criteria for evaluating the various requests regarding these issues. The leading example of a fixed standard is the forty hour work week. The requests are evaluated according to whether they are for conditions equal to, or in excess of the prevailing standard. For some issues it may be a serious matter of dispute if the workers are not receiving conditions equal to the standard. In almost all instances, requests for conditions in excess of the standard are included either for tactical or long range bargaining purposes. In addition, the problem of how standards undergo change is examined.

PREFACE

The purpose of this thesis is to study the causes of labour-management disputes. In addition to outlining the main causes of disputes, the major question to be investigated is whether or not the criteria used by labour and management to justify their respective positions appear to follow a pattern or rationale.[1] Another approach to the problem would be to ask, what criteria do conciliation officers or mediators possess that help them arrive at a mutually acceptable agreement?

This study examines eighty-six disputes that occurred in Northern Alberta that required a hearing before a conciliation board between the years 1955-1962 inclusive.[2] The approach has been to examine the criteria employed, by both labour and management, in arriving at their final contract offers.

Is it reliable and valid to interpret disputes as conflicts in criteria? To answer this question it is necessary to look at four general causes of disputes. The first three causes deal with disputes involving monetary issues. First, there exist disputes that arise out of differences in what

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[1]For the purposes of this thesis criteria are defined as economic data, that is comparisons involving measurable values.

[2]There is no particular significance to the choice of base year other than it yields a manageable amount of material.

both parties consider to be a fair and acceptable settlement. In these disputes conflict results because one or both parties are employing incorrect or inadmissable criteria. Second, in some instances disputes are deliberately brought about by the fact that management does not want its labour force organized and is not, therefore, willing to concede any demands to the union. The only reason management meets with the union is because it is forced to do so by statute. This type of dispute is identified by managements' attempt to break the union. Third, some disputes are created because certain unions, or union officers attempt to obtain unusually large increases for their men. If the union is successful it raises its stature along with that of the officers'.[1] Fourth, disputes dealing with the issue of union security are difficult to settle through the application of criteria. The issues surrounding union security are imbedded in personal beliefs, and not founded on economic data. In these instances it is impossible to formulate a solution based on formal economic criteria.

It is obvious that the first cause of disputes is the one most suitable to the type of analysis proposed for this thesis. However, disputes dealing with the second and third causes are also significant because the causes of disputes, whether the arguments are based on economic criteria or not, are within the scope of this thesis. Many arguments, economic and social, have been suggested

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[1]However, it is not worthwhile to examine the formal criteria presented by the parties when disputes involve the second or third causes because the criteria are merely window dressing promulgated for the sake of conciliation boards and the public.

for settlement of issues involving the fourth cause, and these are examined in some detail.

A large proportion of the information has been obtained from a perusal of the files of the Board of Industrial Relations of the Province of Alberta. These files contain recommendations, awards, correspondence, conciliation board minutes, and briefs for each dispute. The remainder of the necessary information was obtained through personal interviews with union business agents, company officials, and conciliation commissioners. In the interest of better industrial relations some officials have asked that their names be withheld. As a result, only a few of the personal sources are mentioned in the footnotes.

Two clarifications should be mentioned at the outset. First, because the study was not intended to be a mere chronicle of the disputes, each dispute is not necessarily followed through to its settlement. Second, the study makes no attempt to evaluate the criteria used by either labour or management. The study's claim to originality will be confined to the attempts at illustrating where the basic conflicts in criteria exist.

The results in this thesis are the final product of innumerable suggestions and criticisms. Particularly since I knew relatively nothing about the subject covered in this thesis, before I started, constant consultation and criticism was not only most welcome but most necessary.

I would like to first thank Dr. Glyn Williams, now of Indiana University, for suggesting the thesis topic and kindling my enthusiasm for labour economics and industrial relations. My

largest debt of appreciation, however, is to Dr. Maurice Boote for what must have seemed to him like an endless amount of consultation. My especial thanks are for his firm belief that I consider some model of wage determination into which my data could be better viewed. For Dr. Boote's sake alone I am glad that the thesis is completed. I am also indebted to Dr. Thomas Powrie for making several style changes in my final draft in order that it should read more smoothly.

I would like to acknowledge the fine treatment accorded me by the Board of Industrial Relations, Government of Alberta. Without access to the files, granted to me by Mr. Harold French, the thesis would have been completely impossible. I owe a huge debt of thanks to Mr. Jack Adams, Chief Conciliation Commissioner with the Board. He was always available to answer my numerous questions regarding the working of conciliation machinery, interpretation of the Labour Act, and generally answering questions that could not be found in any amount of text books or written documents.

I am also grateful to Mrs. Audrey Weir for typing up the final draft. Finally, I deeply appreciate the typing efforts, on earlier drafts, of my wife Sandra and also for her words of encouragement that some day my thesis would be completed.

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CHAPTER I

MODERN THEORIES OF WAGE DETERMINATION

Before examining the disputes it is worthwhile to recall briefly how individual wage rates are established in an economy.[1] By outlining some theories of the wage determination process it is hoped that the reader will be able to view each individual wage dispute as a part of the general process of wage determination. Examination of each dispute does not readily allow one to develop a broad picture of wage determination.

Wage increases are sought for different reasons: to change an occupation's relative wage, to equalize rates in an industry or region, or to keep pace with increases in the cost of living. The purpose of presenting wage determination theories is not so that different requests can be compared with them, but rather that the individual requests can be seen in proper perspective. Also it is not to be implied that the theories are necessarily functional, that is, that they represent a complete beforehand solution to wage determination. The following theories are largely descriptive, but they underscore some of the valid criteria that should be recognized by negotiators. The problem of quantifying the appropriate criteria

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[1] Fringe benefits can be considered part of the wage since their costs are generally calculated on an hourly basis. However, as will be noted later in the study, the criteria employed for requesting increases in the basic hourly wage differ from those used for requesting increases in fringe benefits.

still remains the problem of the parties involved.

This chapter describes wage determination in two different labour markets, ununionized and unionized. Examination of wage determination in the former market is included because it is the basis of wage determination in the unionized market.

Wage Determination in Ununionized Markets

Wage determination in ununionized labour markets can have several solutions depending upon the degree of competition in both the factor and product markets. Since it is intended only to survey briefly the theory of wage determination in ununionized markets we shall only examine wage determination when perfect competition prevails in the factor and product markets and when imperfect competition prevails in both factor and product markets. The many possible combinations will be left to the reader's imagination.

Perfect Competition in the Product and Factor Markets

Producers in competitive product and factor markets will maximize profit by endeavouring to accomplish two things.[1] First, referring to a two factor example, producers will combine the different factors of production in such a manner that the marginal value product of labour divided by the price of labour will equal the marginal value product of capital divided by the price of capital, $\frac{M.V.P._l}{P_l} = \frac{M.V.P._c}{P_c}$. The marginal value product for each factor will

[1]The analysis begins from the position of profit maximization because it is the profit motive that gives impetus and order to the free enterprise system.

be determined by each factor's marginal physical product multiplied by the market price of the product. Since in the case of perfect competition the market price of the product is constant, all units of output will have equal dollar value. The prices of labour and capital are determined by the aggregate industry markets and consequently are given to the producer. Since the producer faces perfectly elastic supply curves for labour and capital all additional factor inputs will cost him identical amounts, in the short run. It should also be noticed that in the short run, because size of plant and overhead is fixed, both capital and labour productivity will, at some point, exhibit diminishing returns, that is, the respective marginal value products will decrease.

However, the condition of equiproportionate marginal contributions is not a sufficient condition for maximizing profit. There remains a second condition to be fulfilled by the producer. This second condition requires the producer to produce at that level of output at which marginal costs equal marginal revenue. Both marginal cost and marginal revenue can be broken down into their constituent parts, the cost and revenue resulting from the application of additional factors of labour and capital. Thus, for example, labour will be employed as long as each unit's marginal value product exceeds its wage rate. Profit maximization will be attained at that point where the two values are equal. The individual producer's demand curve for labour will thus depend on labours' marginal value product schedule. The actual amounts of labour hired will depend on both product and labour prices, which are

determined by supply and demand forces in the respective aggregate markets. The aggregate, or industry demand for labour will approximate the sum of all firms' demands for labour.[1] Demand for labour id only one determinant of wages. Throughout this first section the wage rate was given and assumed constant, but now we drop this assumption and examine the supply of labour so that the process of wage determination can be seen as an interaction of demand and supply forces.

In discussing the supply of labour it is imperative to realize that under pure and perfect competition it is assumed that all factors are homogeneous and that factors encounter no difficulty in moving from one job or area to another. In this pure and perfect setting it is only necessary to examine the total labour supply, because all factors are identical and receive the same wage in the long run equilibrium position.[2] Thus, classical economics

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[1]The resultant aggregate demand schedule is constructed on the assumption that factor price remains constant. This assumption is true for the firm but not for the industry. For example, if the price of labour falls it then becomes profitable to hire more labour, but concerted action by all of the firms results in an increase in product supply which subsequently reduces the product price, and lowers labours' value marginal product. This will lead to a decrease in the amount of labour demanded at all price levels and hence an aberration from the original demand schedule results.

[2]This is true because factors in low wage employments, due to low marginal value products, will move into relatively high wage employments. This departure will raise the marginal value product and wages in the relatively low wage employments and lower the marginal value product and wages in the relatively high wage employments. Workers will refrain from moving only when wages and marginal value product are equal throughout the economy. The result should not be puzzling when one considers the assumption of homogeneity. If all factors are equally endowed with skill then they should receive the same rewards.

concerned itself with the effects a wage rate would have on total population change. For the purposes of this thesis it will be necessary to drop the assumptions of homogeneity of factors and perfect factor mobility in order that the causes of different wage rates be examined. For the present, the assumptions of perfect competition in the product and factor markets still stand.

There are three general causes of wage differentials. First, differences in efficiency exist among men doing the same job with similar tools. These differences may be attributable to unequal physical and mental endowments, and to differing attitudes toward work. Second, the cost and length of training will affect relative supply levels. Most people are willing to accept jobs that pay dividends immediately, rather than undergo training at their own expense for the purpose of reaping future rewards. Therefore, in order to attract workers into the skilled and professional trades it is necessary to offer higher wages. Third, all jobs are not equal in appeal. Some jobs are irksome and dangerous, others pleasant and dignified, consequently people will tend to choose the latter forms of work unless wage differentials exist to offset any disagreeable features of a job.

The size of the wage differentials among skills in a locality and among regions is tempered by the degree of mobility in the labour force. Workers become attached to particular jobs and areas and are reluctant to leave them for a slight wage differential. There are also real costs to re-training and moving that may exceed the wage differential benefits. It should also be observed

that the mobility of younger workers will be greater than for older workers.

The total effect of individual differences, special training requirements, varying job desirabilities, and labour immobility will be to compartmentalize the labour force. Therefore, a unique labour force will grow up around each job skill, in the short run. The result is an upward sloping labour supply curve, from left to right, for any job skill. The interpretation of this upward sloping supply curve is that higher wages must be paid in order to increase the labour supply for any job skill. Higher wages are necessary to induce workers to undertake training necessary to acquire the skill, or move into the region.

How high the wage rates will be for any particular skill will depend on how many workers are demanded in any particular area. Therefore it requires all of the previously defined factors embodied in both demand and supply to establish the differential wage rates among skill and geographic areas.

Imperfect Competition in the Factor and Product Markets

The above analysis assumed that each firm had no control over product or factor prices. This assumption is now dropped and we shall examine a firm that is a monopolist in the product market and a monopsonist in the factor market.[1] Before setting up the conditions

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[1]It is possible to have perfect competition in the product market and monopsony in the labour market, and also to have monopoly in the product market and perfect competition in the labour market. However, the above combination can be solved along the same line of analysis that follows in the text.

for profit maximization, let us look at the implications of a firm acting as a monopolist and a monopsonist. In the first instance, because the firm is a monopolist it faces the industry demand curve which dictates that each succeeding unit of output be sold at a lower price. The significance of this is that marginal revenue will be less than price at each level of output. This results because each new, lower, price becomes the market price and therefore it applies to all units which were previously selling at a higher price. As will be recalled, the demand curve for labour under conditions of perfect competition was established by multiplying labours' marginal physical product by the market price of the product. The resulting value was value of marginal product. Now in the case of the monopolist, the demand curve for labour is established by multiplying marginal physical product times the marginal revenue which, as explained above, is less than price. Therefore, at any given market wage rate the monopolistic firm will hire less quantity of labour than a firm operating under conditions of perfect competition, ceteris paribus. This situation is shown in Figure I where (L) is the number of workers hired under conditions of monopoly, and (L') the number under perfect competition. It should be noticed that if the factor market is competitive then the effect of monopoly is not to restrict the wage rate but rather to restrict employment.

Now, in addition, if the firm is a monopsonist in the factor market then it faces the industry supply curve for labour, which, as already explained, slopes upward from left to right.

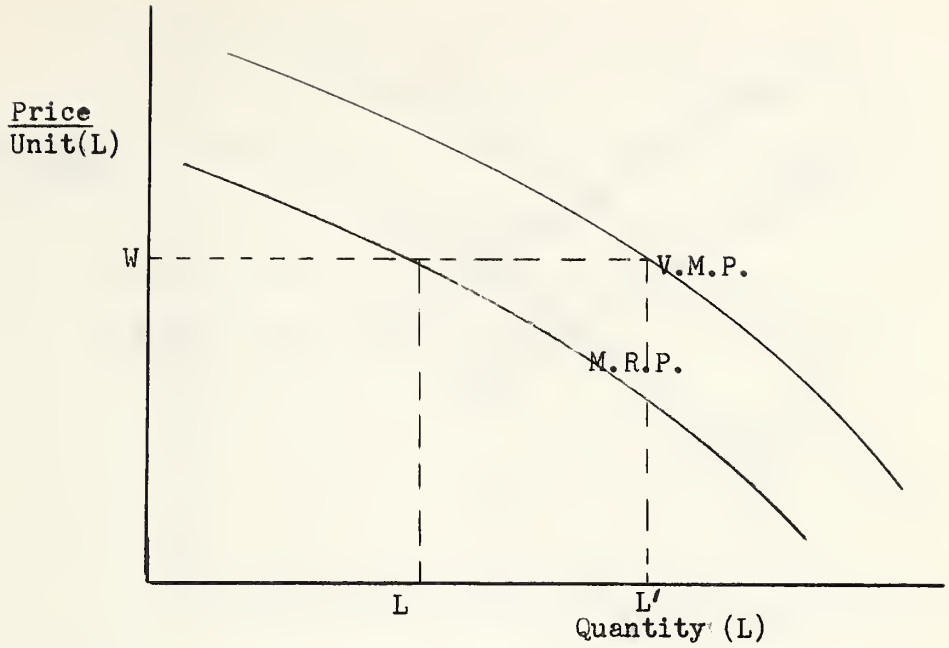

Figure I

This signifies that each additional unit of labour must be paid a higher price than the previous unit. The result is that the marginal cost of labour will be greater than price. This occurs because all of the previously employed units of labour must be rewarded at the new, higher rate. The total effect is that when the firm maximizes its profits by equating marginal revenue and marginal cost, labour is not receiving a wage equal to its value of marginal product, or even its marginal revenue product. This result is illustrated in Figure II. Monopsonistic elements thus allow the firm to hire quantity (L) of labour and pay it a wage equal to W, even though labour's marginal revenue product is equal to P. Monopsonistic profits thus accrue to the firm and are equal to the area WTOP. A competitive resource buyer would be forced to pay a wage rate equal to W' and expand employment to L'. However, because

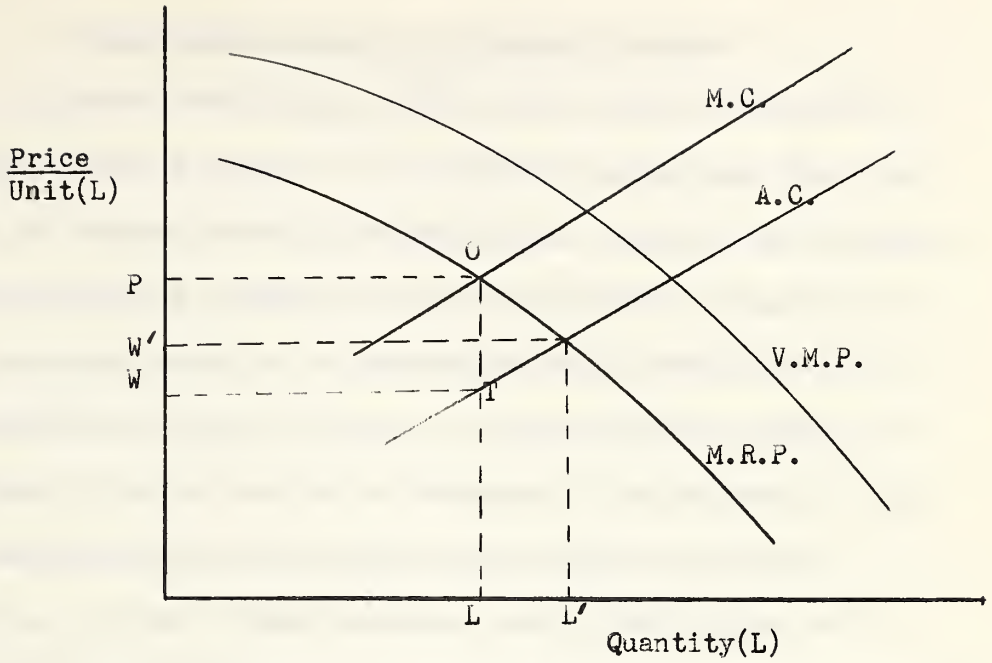

Figure II

the firm is a monopsonist it precludes the effects of competition in the labour market. There are no other buyers of the resource in the area to bid up the price of labour to its marginal revenue product.[1]

This concludes the description of wage determination in the various forms of ununionized labour markets. The next step is to see if, and how, unions alter the established, free market wage relationships.

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[1]The general formula for calculating profit maximizing positions regardless of the degree of competition in the factor and product markets is;

$$V.M.P_a.\left(1-\frac{1}{n}\right) = P_a\left(1+\frac{1}{e}\right)$$

(V.M.P. is the value marginal product of factor a, n is elasticity of product demand, Pa is price of factor a, e is elasticity of factor supply.)

Wage Determination in Unionized Markets

Collective bargaining is the core of wage determination in unionized labour markets. It is during negotiations that the parties put forward criteria substantiating proposed wage changes. As described in the preceding section, the forces of supply and demand determine wages in an ununionized labour market. Now, if the possibility exists for unions to alter supply and demand for labour than a higher wage can be obtained. This increase in wages can be obtained before the unions even undertake collective bargaining. In fact a wage increase, due to the shifting of supply and demand, evolves simply because unions, as an institution, exert power and influence over the labour market, and to a lesser extent over the product market. Competitive imperfections in the factor and product markets allow producers to reap excess profits[1] and pay the workers less than their value of marginal product. It is excess profit that becomes vulnerable to union attack during collective bargaining. To what extent unions are successful will depend on the relative bargaining strengths of each side. However, before examining the role of criteria in the collective bargaining process and the relative bargaining strengths of each side it is necessary to uncover some of the major methods available to the unions for the purpose of influencing market supply and demand for labour.[2]

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[1] Excess profits are defined as economic rent, or profits not necessary to the long run survival of the firm.

[2] For a complete appraisal of all of the methods see: N.W. Chamberlain, Labor (New York: McGraw-Hill Co., 1958), chaps.

Unions attempt to make the product demand faced by the producer more inelastic so that price increases can more readily be passed onto the public. Preserving the market for a few firms and increasing or maintaining price inelasticity can be accomplished by making it difficult for new firms to enter the market. This can be done by forcing new firms to pay union wage rates, and persuading suppliers to withhold materials from the new firm. This latter practice is a type of secondary boycott and to the extent that pressure on suppliers is brought about by threat of strike it is illegal in Alberta. Unions also have available two general methods for increasing product demand and lowering costs which lead untimately to increases in employment and wages. First, the unions may lobby for higher tariffs on competing imports, the removal of statutes governing collusion, and reduction of business taxes. Second, unions may suggest methods for increasing plant and managerial efficiency. The existence of different managerial efficiencies has been suggested as a partial explanation of wage differentials among similar skills in the same region.[1]

While it is recognized that unions may exercise limited

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xx-xxi-xxii; L.G. Reynolds, Labour Economics and Industrial Relations (Englewood Cliffs: Prentice-Hall, 1960), chap.x; P. Sultan, Labor Economics (New York: Henry Holt and Co., 1957), chap.xi: N. Goldfinger and E.M. Kassalow, "Trade Union Behaviour in Wage Bargaining", New Concepts in Wage Determination, ed. G.W. Taylor and F.C. Pierson (New York: McGraw-Hill Co., 1957), chap.iii.

[1]This conclusion was reached in Reynolds' classic study: The Structure of Labour Markets (New York: Harper and Brothers, 1951). An excellent summary of the findings can be found in Chamberlain, Labor, pp.382-388.

control over the demand for labour, the effects of union influence over the supply of labour is certainly more clear. Unions control the supply of labour through union-management contracts containing closed shop or preferential hiring provisions.[1] These security provisions virtually restrict employment to union members and thus make it possible to regulate the size of the labour force with respect to any specific skill. Unions may also affect labour supply by controlling the number of apprentices that can be employed on any project or in any shop. Unions may also resist technological change which has the detrimental effect of reducing the demand for specific skills and creating a pool of unemployed union members. This problem is of paramount concern today in the railroading, printing, and seafaring industries.[2] A final restriction on labour supply can be exerted through legislation requiring the licensing of qualified tradesmen.

The importance of the shifting supply and demand cannot be understated. Rothschild has emphasized that:

> A large part of the class struggle in capitalistic society is nothing but an attempt to shift the basic supply and demand conditions on the labour market in favour of the one group or the other.[3]

Having established the methods open to unions for altering

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[1]Both of these forms of security are legal in Alberta, infra, chap.II.

[2]Since the railroad and seafarers fall under the supervision of the Federal Dep't. of Labour, disputes concerning them fall outside the scope of this thesis.

[3]K.W. Rothschild, The Theory of Wages (Oxford: Basil Blackwell, 1956), p.173.

labour supply and demand conditions, it is possible to examine the collective bargaining process that modifies the free market wage setting mechanism described in the opening section of this chapter. The intent of this section is to outline the leading theories that explain both union and management behaviour at the bargaining table. In effect, what criteria do unions and management employ in arriving at a bargaining position?

Two opposing theories have been advanced to explain union behaviour.[1] The one theory leads to results similar to what would be expected in a free market situation in that wages cannot far outstrip the worker's value marginal product. However, there are possibilities whereby unions can force firms into paying more than they would when the employer is a monopsonist. It is also possible for unions to attempt to gain some part of the monopolistic profits even though it may require that firms pay a wage greater than labours' contribution to the firm's revenue. In either case it should be recognized that either form of profit was unassailable by labour in the ununionized market. However, the potential wage gains open to union pressure are limited first, by the size of the firm's excess profits or ability to pay, and second by the extent to which the firm can pass a wage increase onto the public.[2] The

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[1]Union behaviour draws the greatest attention because it is the unions who, almost without exception seek contract changes. Management is usually content to maintain the status quo. However, the same criteria that motivate union behaviour usually apply to management's behaviour, although the same criteria do not necessarily correspond in each case.

[2]As was previously indicated, unions may be able to influence the elasticity of product demand.

actual success of unions in obtaining increased wages will depend on the relative bargaining powers of union and management. Relative bargaining powers depend on the following conditions.[1] The first being the percentage of labour costs to total costs; the smaller the percentage, the greater the relative strength of the unions. The second condition is the elasticity of product demand, and revenue of the firm will decrease if higher wages are passed onto the public via a higher price. Stemming from this condition is the concern of the union to achieve uniform wage increases throughout the industry. This is desired in order that no firm will gain a competitive cost advantage over its rivals. If all firms within an industry raise their price then each firm should retain the same relative share of the market.[2] The third condition, which is partially determined by the first two, depends on the elasticity of the firm's demand for labour.[3] The more elastic labour demand is the greater is a firm's bargaining strength. The elasticity of labour demand is significant because the theory of union behaviour being discussed is based on the premise that unions maximize the total wage bill. The more elastic the labour demand

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[1]These conditions reflect the costs of agreeing to union proposals. The costs of disagreeing, which also determine relative bargaining strengths are calculated on the basis of a work stoppage resulting.

[2]However, depending on elasticity of industry demand the absolute shares may decrease.

[3]An important factor determining the elasticity of labour demand is the ease with which labour can be replaced by capital. For a detailed treatment of elasticity of labour demand see: J. Hicks, The Theory of Wages(2d ed. rev.; London: Macmillan and Co., 1963), Appendix. Also, A. Marshall, Principles of Economics(8ed.; London: MacMillan and Co., 1961), Book II chap. VI.

curve is, the greater will be the unemployment effects of a given wage increase. It may well be that in many instances a wage increase will lower the total wage bill.

The second theory explains trade union behaviour as a result of competition, or polital forces, among and within unions.[1] It suggests that wage demands are prompted by what workers in rival unions, and in other areas, receive. This theory is best summed up in Ross' own terms:

> It is not denied that the general wage level is of economic origin; wage relationships, however, do not conform to any forces of supply and demand, since the trade union is a political instrumentality not governed by the pecuniary calculus conventially attributed to business enterprise'.[2]

The key bargain has been recognized as a governing factor of wages in North America.[3] As with price setting it appears that wages have followed a particular pattern over the years. Wage increases in key industries, such as steel and automobiles, set off demands for increased wages throughout the economy. The economic theory of wage setting claims that key industry wage increases signal increases in the health of the economy and in profit levels. However, the sizes of the resulting wage increases throughout the entire industrial structure will depend on the ability to pay of each firm. The political theory of wage setting easily accomodates the key bargain phenomenon. It holds that

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[1]The leading exponent of this view is A. Ross, his theory is contained in, Trade Union Wage Policy (Berkeley: University of California Press, 1956).

[2]ibid., p.74.

[3]Chamberlain, Labor, pp. 166-175.

national unions, with their ubiquitous national representatives, attempt to obtain uniform national wage rates. As a result pressure is brought to bear on each local union in the hopes of bringing wage rates into alignment.

Both the economic and political theories of union behaviour have valuable contributions to make to a more complete statement of union behaviour. Two writers have attempted to synthesize the two approaches. The results of both views are similar in nature, but because the approaches differ it will be worthwhile to examine, briefly, both of them.

Reynolds, in his study, claimed that economic factors established wage differentials among firms and skills, but that political factors largely determined the year to year adherence to the established pattern, as the general wage level changed.[1] Reynolds attributes the existence of wage differentials among similar skills in an area, to different levels of technology, varying composition of the labour force, and the degree of competition in the product markets. The key bargain negotiated at the national level, however, is triggered by economic conditions and ability to pay. National and international union representatives then transmit the key bargain to the rest of the economy. Once the key wage rate, or a variation of it, is introduced into the various regions it is largely the forces of union politics that make all other firms adhere to the change, and maintain their respective positions in the local pattern of wage rates.

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[1]Reynolds, The Structure of Labor Markets.

Reder synthesizes the economic and political theories of trade union behaviour through the adoption of short and long run views.[1] In the short run, the unions will behave according to Ross' political theory. Membership satisfaction and confidence in the union officers will prevail as long as wages in a particular union local are comparable with the rates being paid to other union men. Employers also judge their wage rates by comparing them with other wages in the region. In mature[2] bargaining relationships, the forms of criteria to be employed are established and mutually recognized. Key bargains can be struck for an industry or a region. How closely the key bargain is followed by each bargaining unit depends on the force of argument backing each criterion, each party will choose to represent its position by the most favourable prevailing criteria. In the long run, however, it may be that a firm cannot any longer imitate the key bargain. The firm, then, is faced with three alternatives; close down, move to another area, or induce the union to revise its policy. Reder sums up the interaction of the short and long run criteria:

> Thus it will seem, at any given moment that most union-firm wage bargains are pattern determined; however, from the long run viewpoint, the particular pattern to which a given bargain

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[1] M. Reder, "The Theory of Union Wage Policy," Review of Economics and Statistics, XXXIV (February, 1952), 41. The short run here refers to the length of a union contract.

[2] Bargaining maturity requires that two conditions exist. First, both parties feel secure in the sense that there is no immediate challenge to the existence of their organization, and their position within it. Second, each party respects the other's integrity, in the sense that both parties are willing to offer and accept fair terms in order to avoid a stoppage.

> will conform is determined (or at least greatly influenced) by the economic factors that determine whether or not the firm will survive.[1]

One feature of Reder's study that has much interest for what will follow in this thesis is his underscoring of the notion of bargaining maturity. From Reynolds' study one gets the impression that once patterns are established they become solidly entrenched and irrevocable, whereas in Reder's study it is indicated that the pattern to be followed will indeed change to suit the changing economic conditions faced by the firms. How easily the introduction of the new criteria is accepted by the union will depend on the maturity of the bargaining relationship. This problem presumably leads to two areas of dispute, when disputes are catalogued according to criteria. First, there will be disputes when the forms of criteria and comparison are accepted by both parties, but quantitative differences become irreconcilable. Second, in the less mature bargaining relationships, disputes will occur because the parties cannot even agree on the basic criteria or comparisons to be employed.

In conclusion, both theories appear to have much validity. That unions attempt to obtain wages comparable to other wages in their pattern, and that inter-firm wage differentials exist because their wage paying abilities are restricted by economic factors, cannot seriously be questioned.

Since this thesis examines several disputes involving the public school teachers and elected school boards, it will be

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[1]Reder, Review of Economics and Statistics, XXXIV, 41.

necessary to question the successful application of the above wage determination theories to this type of dispute.[1] The most serious handicap to determining wages in the public sector is establishing labour demand. As will be recalled, labour demand can be established once worker productivity is estimated and the price of the final product known. The product of these two factors is the value of marginal product, or the marginal revenue product, depending on the degree of competition in the product market. Demand can then be established on the basis of whether a worker's value of marginal product exceeds the cost of hiring him. Two problems immediately occur when this demand analysis is applied to the public school teachers. First, education is a social process that enables students to become better informed and more productive members of society. Since a single teacher's contribution to this social process cannot be computed in tangible units his productivity cannot be measured. Second, a more easily defined and obvious problem arises because the output of teachers is not sold on the free price market. Hence, even if some acceptable omnibus figure could be constructed to measure the marginal productivity of a teacher there still would be no direct way of attaching a dollar value to it. Therefore, demand for teachers remains a hazy conception.

How is the problem of hiring the appropriate number of teachers and determining their wages accomplished? The number

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[1]What follows in the text applies to the few disputes involving non-teacher government employees also.

of teachers to be employed will depend on the number of children requiring education. Since it is compulsory for students to remain in school for a stipulated number of years it is necessary to supply a certain number of teachers. However, the problem of how many students an individual instructor is responsible for educating, that strongly influences the number of teachers required, depends on the prevailing educational practices. It can be concluded that the number of teachers demanded in a community will depend roughly on the number of children of school age and the number of children assigned to a classroom. These figures will be established by prevailing government and public attitudes. The problem still remains as to what wage levels will prevail at the different quantities of teachers demanded. The result will depend upon what value society places on education. It is at this point that the significance of the publicly elected official enters. For it is through him that a voting mechanism replaces the free market pricing mechanism.[1] It is possible to view wage negotiations in the public sector by using an oversimplified analogy in the private sector.[2] The elected school board replaces management at the bargaining table. Previously, it was noted that the upper limit to managements' wage offer was conditioned by the loss of

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[1]For an account of the voting mechanism and how it attempts to solve the allocation of goods and services in the public sector see: R.A. Musgrave, The Theory of Public Finance (New York: McGraw-Hill Co., 1959), chap.vi.

[2]The application to politics of marginal analysis and maximum, minimum solutions can be found in: A. Downs, An Economic Theory of Democracy (New York: Harpers Co., 1957).

income that would result through a price increase. A certain number of buyers would refuse to support the firm with their dollar votes if a wage increase were passed onto the public. In the public sector, the limit to a wage increase granted by the school board, will depend largely on how many voters will withdraw their support if a tax increase is necessary to cover the increased wages.[1] The voting mechanism is not as spontaneous or as precise as the price mechanism because elections are temporally spaced and voters may remain uninformed or not understand the issue.[2]

Ross' political theory of wage determination, as described above is also of limited applicability here since wage changes cannot often be considered motivated by comparisons with the wages gained by other teacher unions. Compulsion is absent in Canada generally because the teachers' associations in each province are without rivals and there are no national headquarters or representatives to promote uniform salaries.

Because of the lack of precise measurements for estimating public sector demands the role of collective bargaining takes on added significance and responsibility in the public sector. The

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[1]This simplified view depends on two assumptions. First, that during their elected term school board members are able to ascertain the voters' attitudes fairly accurately. Second, that the voters, at election time, are faced with at least two opposing and well defined views with respect to teacher salary policy.

[2]The tools that exist in the private sector for making the consumer aware of the prices and qualities of the vast array of goods and services do not exist, in either the same force or extent, in the public sector. See; J.K. Galbraith, The Affluent Society (Boston: Houghton Mifflin Co., 1958), especially chaps. ix,x, and xi.

upper and lower limits on wages cannot easily be based on productivity but rather are founded on the broad and changing economic values of both society and the public sector employees. As will be seen, the problem of establishing mutually satisfactory criteria is the main cause of disputes in this sector.

Having examined the processes of wage determination in both unionized and ununionized labour markets what conclusions, or features, should be anticipated in this thesis? Assuming that the worker is entitled to a wage equal to his marginal value product or marginal revenue product can this product be systematically measured in a real situation? The answer in most cases is no.[1] It is precisely the problem of collective bargaining to estimate the worker's value to a firm.

A very important factor that has been excluded from the static analysis of this chapter is the changing value of worker productivity. With skills and technology advancing it is only natural to conclude that worker productivity will increase. Thus it is necessary from time to time to adjust workers' wages.[2] Also, since all industries and firms do not advance evenly, with respect to capital and technological innovations, it is natural for profits and wage differentials between firms and skills to vary from year to year. Thus, even the wage theories of Reynolds and Reder are

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[1]For a thorough treatment concerning the difficulties of measuring productivity see: J. Backman, Wage Determination: An Analysis of Wage Criteria (Princeton: Van Nostrand Co., 1959), chap.viii.

[2]See Rothschild's chapter on "Wages and Technical Progress", pp. 116-126.

largely descriptive. This follows because it becomes impossible to estimate those firms that will be used by the unions and companies for the purposes of wage comparison. Since productivity cannot be measured beforehand, and the orbits of comparison change from year to year due to changing economic conditions, it is not possible to calculate in every instance before collective bargaining commences what wage changes both parties will offer.

Following a brief examination of the Alberta Labour Act, that establishes and safeguards the formal framework within which collective bargaining operates, this thesis will examine the criteria employed by both sides and attempt to evaluate the basic causes of disputes.

CHAPTER II

THE ALBERTA LABOUR ACT

In the area of labour legislation the provincial governments have enacted statutes governing hours of work, minimum wages, welfare, work standards, and industrial relations. It is the legislation in the field of industrial relations that provides the subject matter for this brief chapter. Of particular interest is government intervention in dispute settlement, or the process of compulsory conciliation.

Compulsory conciliation serves two purposes. First, it provides a cooling off period for labour and management, thus protecting the public from hastily called and unmeditated work stoppages. Second, compulsory conciliation itself is a process for settling differences by invoking the aid of conciliation officers and other outside authorities.[1]

Statutes establishing compulsory conciliation are only part of the larger body of legislation governing the rights and restrictions of labour and management in the collective bargaining process. There are four main purposes to the labour statutes of

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[1]The introduction of compulsory conciliation procedures into Canadian labour legislation was largely the result of Mackenzie King's efforts. For elaboration of this point see: F.R. Anton, Role of Government in Settlement of Industrial Disputes (Montreal: CCH Canadian Lt'd., 1962), chapter vi.

each of the provinces.[1] These are; to allow certification of trade unions, to require employers to engage in negotiations with the certified bargaining agents, to prevent work stoppages during the negotiation of new contracts until the compulsory stages of negotiations have been complied with, and to prevent work stoppages arising from the interpretation or application of existing contracts. In turn, each of these aspects of labour legislation will be briefly examined as they apply to the Province of Alberta.[2]

In Alberta a permanent body has been established to interpret and enforce all legislation pertaining to labour. This body is known as the Board of Industrial Relations. The certification of a union as the exclusive bargaining agent is designed to limit jurisdictional disputes. Where no contract exists a trade union may apply for certification if a majority of the workers in the designated unit select it as their bargaining agent.[3] Furthermore, the worker is legally protected from any reprisals resulting from his attempts to obtain union membership since any person attempting to intimidate "by threat of loss of position or employment" for the reason of causing employees to refrain from attending organization meetings, or supporting trade union activity, is guilty of an offence.[4] If the Board is satisfied that the proposed unit is

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[1] ibid., pp. 16-17.

[2] Revised Statutes of Alberta 1955, chapter 167. These statutes are more commonly known as the Alberta Labour Act.

[3] Revised Statutes of Alberta, Sec. 59. [4] ibid., Sec. 80.

appropriate for collective bargaining purposes, and that the majority of the workers in the unit have selected the bargaining agent, then the Board will grant certification.[1]

Once a union has become certified it can serve notice on the employer to negotiate a collective agreement. Neither side may refuse to bargain collectively once proper notice has been given and refusal to do so may result in prosecution.[2] Finally, revocation of certification can be granted by the Board if the majority of the employees no longer desire the bargaining agent to act for them.[3]

Having guaranteed employees the right to select a bargaining agent, and for the agent to bargain collectively with the employer, the legislation goes farther. Provision is made for either party to apply for the services of a conciliation commissioner, should collective bargaining not yield an agreement. The role of the commissioner is clearly spelled out in the Act:

> It is the duty of the conciliation commissioner to promote conditions favourable to a settlement by endeavouring to: allay distrust, remove causes of friction, promote good feeling, restore confidence and encourage the parties to come to a settlement themselves.[4]

If the conciliation commissioner fails to bring about a settlement he drafts a recommendation. This recommendation is submitted to both parties for their acceptance or rejection. If one or both parties reject the recommendation, and a settlement cannot be effected, the conciliation commissioner advises the Minister of Labour as to the desirability of appointing a con-

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[1] ibid., Sec. 63. [2] ibid., Sec. 72(8).

[3] ibid., Sec. 66. [4] ibid., Sec. 83(3).

ciliation board. Thus, it would appear that the appointment of a conciliation board is a matter left to the discretion of the Minister. This implication is curious in the light of the wording of Section 95 that states, in effect, that strikes or lockouts are illegal until all the compulsory stages of negotiations have been fulfilled. Hence, should the Minister not appoint a board, after a commissioner has failed to effect a settlement, it would mean that a strike or lockout could not be invoked as a means of settling the dispute.[1] Since this situation would not be tolerated by labour it means that a conciliation board must always be appointed for every dispute that is not settled at the conciliation commissioner level.

The present procedure for appointing conciliation boards appears at times to be indefensible. Some disputes, as will be seen, are only prolonged and unnecessarily aggravated by the inclusion of a compulsory conciliation board requirement. Conciliation boards

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[1]This is not intended to overshadow the fact that labours' use of the strike weapon is declining in importance. One major study gives three reasons for the declining importance of the strike as the final arbiter in disputes. First, employers' attitudes towards collective bargaining are becoming more conciliatory and mature. Unions are becoming an accepted and permanent feature of industry. Second, state regulations grant unions minimum security and aid in the bargaining process. Third, unions attempt to achieve their ends through political action. See: A. Ross and P.Hartman, Changing Patterns of Industrial Conflict(New York: John Wiley and Sons, Inc., 1960), chap.v. Another study also demonstrates the declining frequency of strikes see: K.G.J.C. Knowles, A Study in Industrial Conflict(Oxford: Basil Blackwell, 1954). A study involving disputes in Alberta showed that between the years 1954-1958, 125 disputes were referred to conciliation boards while only a total of fifteen, or twelve per cent, resulted in a work stoppage. See: F. Anton, Government Supervised Strike Votes(Montreal:CCH Canadian Lt'd., no date was given), pp. 44-48. This limited data hardly substantiates the results of Ross, Hartman, and Knowles, but it does illustrate the small number of disputes that rely on a work stoppage as a means of bringing about settlement.

require both time and expense and there is the possibility that the initial stages of collective bargaining and conciliation will be conducted less earnestly since both parties know that a conciliation board will automatically be appointed should negotiations break down.[1]

A conciliation board consists of three members with union and management each appointing one member. Neither of these representatives can have been the legal counsel for their respective parties during the past six months nor can they have received any remuneration from their respective parties during this period. It is the responsibility of these two representatives to appoint a third member to act as chairman. If they are unable to select a mutually satisfactory member then the Minister of Labour does so.

The powers of each conciliation board derive from an order-in-council. The board has the same powers as a judge of the Supreme Court; it has the power to summon, question under oath, and search any shop or place of business.[2] The usual procedure is for each party to present briefs and formal arguments at the board hearings. If an impasse continues then the board tenders an award.[3] This

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[1]Recent legislation in British Columbia has abandoned the automaticity of appointing conciliation boards.

[2]Revised Statutes of Alberta, Sec. 89.

[3]The use of this term award creates suspicions. The terms of reference for the board are unlike those laid down for the conciliation commissioner since no mention is made in the Act for the board to actually expedite an agreement between the parties on their own accord. The terms of reference, and the board's judicial authority give it more the flavour of an arbitration board, or fact finding committee rather than a conciliation board. Up until July, 1957, the board was referred to as an arbitration board. Literally speaking

award is then presented in writing to both parties for their acceptance or rejection. The decision of the rank and file is not transmitted through the union spokesman this time, as the decision on the recommendation of the conciliation commissioner was. Instead, provision is made for the taking of a secret vote to be conducted by the Board of Industrial Relations.[1] One special feature of this secret vote is provided by the fact that the rank and file of any trade union are employed by many different firms. Thus no aggregate vote is held but rather a vote is held in each work shop. Therefore, it is not unusual to find a majority of workers in one shop accepting the conciliation board's award and a majority of the workers in another shop rejecting it. Assuming that in the former case management also accepted the award then the two parties would likely consummate an agreement. In the latter case the dispute would still prevail, however, and strike or lockout action would likely follow.

The employer indicates his decision concerning the award by written letter to the Minister of Labour on the day of the voting. It is also possible for the decisions of the various employers to vary from shop to shop.

If the award is rejected by either party, in an individual

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then the board, if it is of a conciliatory nature, should tender a recommendation and not an award. However, it should be mentioned that Section 89 gives the board power to set its own order of proceedings. Therefore, the actual nature and success of each board will depend upon the skills of the chairman and of the selected representatives.

[1]Revised Statutes of Alberta, Sec. 93(8).

shop, then a strike or lockout becomes legal, with one exception. In Alberta and British Columbia a strike vote must be taken among the rank and file. If the majority of the workers in a shop vote in favour of strike action then such action becomes legal.

Although not mentioned in the Act there is a last recourse that the parties may adopt if the award is rejected. This recourse is mediation by one of the senior members of the Board of Industrial Relations. If the Board receives a joint application for mediation services and feels that this may expedite a settlement then it will offer these services.

The final aspect of labour legislation to be examined is the prohibition of strikes or lockouts that may occur from differences concerning the interpretation or application of a collective agreement already agreed upon.[1] The Act proposes that an ad hoc committee be established for the purpose of settling any grievances. The members of this grievance committee are chosen in the same manner as the members of a conciliation board. The only major difference between these two bodies is that the award of the grievance committee is binding. The Act stipulates that every contract signed must have some grievance settling procedure included in it.

The compulsory conciliation process is not without its detractors. In conclusion to this chapter it is worthwhile to observe the warnings of two noted writers in the field of industrial relations.

Where unions and employers are compelled by law to submit

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[1] ibid., Sec. 73.

> their disputes to such procedure, the effect is often to circumvent or distort the process of collective bargaining. In many cases the representatives of the parties to the dispute take rigid positions beforehand, refuse to make any substantial concessions necessary to reach agreement, and then depend upon the conciliation board to get them off the hook.[1]

Jamieson concludes that the compulsory nature of conciliation in Canada makes strikes more difficult to settle and helps to explain why the average duration of strikes elsewhere has been decreasing but in Canada the duration has been increasing.

Woods identifies the rationale behind the adoption of compulsory conciliation as an attempt to avert costly strike or lockout action. However, this appears ironical since:

> The positive role of the strike in labour relations is to pose the threat of losses to both sides for the purpose of forcing the parties to come to an agreement. If policy has the effect of delaying this pressure, as Canadian policy does, the result may be to weaken the process of bargaining and settlement may be delayed.[2]

Using this statement as his basis, Woods postulates that the conciliation board stage should be abandoned except in thos cases where a national crisis would arise as a result of a work stoppage.

These two views are presented to remind the reader that perhaps the method of compulsory conciliation outlined for Alberta is not as great an aid to dispute settlement as it is intended to be.

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[1]S. Jamieson, Industrial Relations in Canada (Ithaca: Cornell University Press, 1957), p. 119.

[2]H.D. Woods and S. Ostry, Labour Policy and Labour Economics in Canada (Toronto: Macmillan of Canada, 1962), p. 273.

CHAPTER III

BASIC WAGES

Having summarized the leading theories of wage determination, and the Alberta Labour Act, it is now possible to examine the individual disputes. In this chapter all disputes that involved the issue of basic wages are examined.[1]

TABLE I.--FREQUENCY OF MAJOR ISSUES INVOLVED IN EIGHTY-SIX DISPUTES IN NORTHERN ALBERTA 1955-1962.[a]

Issue	Number	Percentage
Basic Wage	81	94
Hours	24	28
Overtime	12	14
Welfare Benefits	24	28
Statutory Holidays	26	30
Vacations	17	20
Union Security	37	43
Scope of Agreement	12	14

[a]Calculated from: Alberta, Board of Industrial Relations Files.

As Table I indicates, disputes involving the basic wage

[1]This term is not used in the sense of minimum wages. Basic wages are defined as a worker's daily or yearly salary and are defined to exclude fringe benefits.

issue predominate. Not only have wage issues been involved in ninety-four per cent of the disputes but they have been the commanding and dominant proposal in all but a few contract negotiations. The importance of the other issues listed in the Table, and the interaction of these issues in the bargaining process will be formally developed in Chapters IV and V.

The intent of this chapter is to identify the criteria employed by each side in arriving at a seemingly irreconcilable bargaining position. It is hoped that predominant patterns will emerge so that some qualified, but general conclusions may be tendered. The material in this chapter is divided into three broad categories according to type of business operation. The first involves municipal governing bodies, specifically school and hospital boards. This group is different from other forms of management because the revenue is raised through taxation. The second category is loosely defined as industry, and in the context of this thesis refers to privately owned business operations that produce on an uninterrupted yearly basis, and consequently employ a permanent and year round labour force. Thirdly, there are the trades, which comprise business operations that produce on a seasonal basis and therefore hire their labour force on this basis.

Public Sector

Seventeen per cent of the wage disputes originated from negotiations in this sector. The leading disputes were the school boards and public school teachers.

There are generally three approaches open to the teachers when they are conducting salary negotiations. First, they can bargain for increases in the minimum first year salaries; these salaries will also establish the differentials between the various years of training. Second, teachers can increase the maximum salaries obtainable for each year of university training by both increasing the yearly experience increment and by extending the number of years that the increments will be applied. Both approaches are similar in that they involve vertical salary increases. The third approach is horizontal in nature; this endeavours to extend the base salaries to include teachers who have had five, six, and seven years of university training.

In the past two decades there has been a marked desire on the part of the teachers to reduce the differentials between their salaries and those of other professional occupations. Particular emphasis was placed on the upgrading of graduate teachers' salaries. This emphasis was designed to provide for a sufficient supply of competent and fully trained professional educators who would be available to meet Alberta's growing educational needs. Consequently, several disputes arose over this issue.

In one dispute the teachers' submission to the conciliation board explicitly spelled out the five criteria that were employed in arriving at their particular salary proposals.[1] These were: com-

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[1]Alberta Board of Industrial Relations, Labour Relations File Number 197. Hereinafter all disputes will simply be referred to as L.R. No.___.

parability, a 1957 survey of graduate earnings showed that after three years of employment teachers received at least $1,000 less than other comparable graduates; cost of living, this has continually risen at a rate of three per cent per annum; pattern of increases, this involves a group of figures showing the salary increases granted to school teachers in other Alberta school districts; ability to pay, the teachers pointed out that the educational mill rate in this district was the lowest in Alberta; national productivity, since 1920 the real wages of the labour force have increased ninety-eight per cent while those of teachers have risen only seventy-five per cent.

While five criteria were presented as determinants of salary changes it is clear that the comparability criterion is the most important determinant. This conclusion is reached after examining three other disputes, one of which resulted in a strike.[1] With the aid of two arguments the teachers attempted to substantiate the necessity of obtaining comparable professional salaries. First, the present shortage of teachers would become critical if salaries remained below the standards of other professional groups. They further stressed the need for more teachers with B. Ed. degrees in order that the demands of the increasing complexities of a growing society could be met. Second, the teachers claimed that as university graduates they should receive professional salaries in accordance with provincial professional averages.

In disputes of this nature school boards attempt to rebut

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[1] L.R. No's. 235, 608, and 1177.

the teachers' comparability criterion along two main lines. First, the board stresses inability to pay. Two sample arguments were presented by rural and urban school boards respectively. In one dispute, the board stated that because it represented a rural division any increase in salaries would have to be met by increasing the tax assessments of the farmers. However, due to rising farm costs and falling returns this increase in tax burden would be intolerable. In the second example, the school board based their argument on the current recession which was creating considerable unemployment. The board also employed the predictions of unspecified economists that the recession could last for another two years if new oil or gas markets were not opened. The tax payers would not, or could not, grant an increase to the teachers during a time of slumping incomes. When the school boards employ the inability to pay criterion they do not necessarily deny the fact that teachers are professionals and therefore ought to receive comparable salaries. Denial of professional status to the teachers is the central feature of a second form of school board rebuttal. A good example of this form was found in a dispute in which the school board claimed that the other professions were more exacting and that the weak and incompetent were weeded out by natural competitive processes. However, this process is absent in the teaching profession and school boards must retain the incompetents.[1]

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[1]Presumably this type of a situation would occur when demand far exceeded the supply of teachers. However, this situation would appear to be a result of low and inadequate wages to begin with.

The board also maintained that yearly salary comparisons involving other professions were spurious because of the generous vacations that teachers receive. The board estimated that teachers work an average of 1,000 hours a year, while government employees work 2,000 hours a year, and farmers toil 2,400 hours a year. In addition to this, teachers also receive sick pay, pensions, and almost absolute security of tenure.

These disputes between school teachers and school boards can be seen to result from disagreement over the teachers' comparability, or inter-occupation, criterion. One source of conflict occurs as a result of attempts to establish whether or not the teaching profession is in fact comparable to other professions. The answer to this question must remain open because of the lack of a suitable criterion for comparing professions. Should a job be valued by the actual time spent in physical labour, by its mental difficulty, by the value of its final product, or by the amount of formal preparatory study necessary to obtain professional status? These are just a few of the criteria that could be employed. However, the fact that no agreed criterion is available for judging the relative economic worth of the various professions makes it impossible to determine if the teaching profession is comparable to other professions.[1] The second source of conflict occurs as a result of disagreement over whether the school boards'

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[1]The price system automatically evaluates the relative economic worths of various professions. However, the difficulty in evaluating the teaching profession is that its final product is not sold in the market. Thus, the necessity for choosing a suitable profession for comparative wage purposes occurs.

inability to pay criterion is applicable to wage negotiations. In essence, the teachers claim that education is a vital public service and competent teaching is necessary, therefore, costs should not restrict the attainment of salary levels commensurate with a sound educational system. However, it is precisely the collective bargaining process that establishes the upper limit for teachers' salaries. If the school board strongly feels that salary increases passed onto the community, in the form of increased taxes, will meet with heavy disapproval, then it will certainly have grounds for imposing an upper salary limit. In this case, it will invoke the inability to pay criterion. Teachers should not lose sight of the fact that it is the community which places a value on education and that this value represents the upper limit for salaries. On the other hand, however, it should be accepted that teachers, through the collective bargaining process, should be permitted to seek out this upper limit and not necessarily accept the final offers of school boards. It must be kept in mind that the school board members are popularly elected and in some instances will be striving to cut costs per se merely to attract future votes.

In conclusion it would appear that salary disputes involving school teachers and elected school boards are difficult to resolve because of the lack of precise criteria. The comparability of teaching with other professions, and the value placed on education by the community are two questions that cannot be answered by an analytical process. The answers must be left to the process of collective bargaining. A factor that complicates the assessment

of the value of education is that this value is not constant over time.

A separate problem that arises from this same area of dispute involves the annual experience increment. The teachers' arguments are best summarized in a submission that was presented to a conciliation board.[1] In it they outlined the mutual benefits of increasing increments, and the duration to which they apply. The brief concluded that the maximum salary governs the retention of experienced and qualified teachers. The school board, however, while allowing that increments play a vital role, wanted the right to judge the ability of teachers, and withhold increments to teachers judged incompetent.

Here we have a direct clash of criteria. The teachers regard increments as their incontestable and just reward for acquiring experience and then giving the benefit of it to the board by remaining in its employ. The school board regards increments as serving an incentive or merit function; they should not be granted automatically each year, but rather after capability has been demonstrated. Both arguments are convincing and contain merit. For an outsider it is impossible, however, to give precedence to one argument over the other.[2]

The remainder of this section deals with disputes involving

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[1]L.R. No. 1177.

[2]For a good review of the arguments for and against merit pay see: E.J. Hanson, A Study of the Salaries of Teachers in Alberta (A study prepared for the Alberta School Trustees Association, 1961), pp. 59-63, or, Report of the Royal Commission on Alberta (Commissioned by the Province of Alberta, 1959), chap. XXIV.

municipal boards or councils, and employees other than school teachers. The first dispute resulted from negotiations between city maintenance crews and the city council of a small Alberta city.[1] The workers demanded a twenty per cent increase in wages to bring their wages into allignment with the wages of their counterparts employed elsewhere in the province. City council granted them approximately a five per cent raise to allow for increases in the cost of living. Council rebutted the intra-occupation wage criterion on the grounds that there were many intangibles carrying no explicit dollar value, available to the workers in this city. They listed as examples: recreational facilities, community services, shopping and parking outlets, community spirit, and climatic conditions. In short, the workers were fortunate to have such a nice residential community in which to live and raise their children. The thirty-one workers involved went on a strike for two weeks. The termination of the strike by the workers brought about the demise of the union.

The second dispute involved five hundred non-professional members on the staff of a city hospital.[2] The hospital board contended that wages were in line with the average wages being paid in the other three city hospitals. The union claimed that this comparison was invalid because two of the hospitals in the composite average were owned and staffed by religious and charitable organizations. Therefore, the wages were lower. The union further pointed out that the third hospital was government owned. This fact precluded collective bargaining or strike

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[1]L.R. No. 1846. [2]L.R. No. 339.

privileges and led to lower wages. As a solution the workers suggested an intra-occupational wage comparison with workers in another large, Alberta centre's hospital, where wages were higher. The workers contended that since professional hospital staff and all other civic employees received near identical wages in these two cities this comparison was valid.

In both cases the unions were attempting to establish new wage comparison standards but the managements refused to deviate from the old wage patterns. What caused the unions to deviate from the past wage patterns? In the first case the workers had only recently been organized and it was the first time that their negotiating had been done by a union. In the second case the union realized that there were administrative differences among the city hospitals, and as a result the hospitals were not really comparable in operation. Management, however, was reluctant to deviate from the past, established wage pattern.

These latter disputes involving civic employees in the public sector are similar to those disputes involving public school teachers in that the major problems in the dispute, caused by the fact that neither group's service is sold on the market, is selecting a work unit suitable for wage comparison. However the two groups differ in that the teachers proposed comparisons with the other professions, while the civic employees proposed comparisons with workers in the same trade but in different regions.

Industry

As will be recalled from the preface, this thesis analyzes

all disputes in Northern Alberta between 1955 & 1962, regardless of their causes. Two types of disputes are caused by union and management actions primarily directed at ends other than arriving at a fair collective agreement. They will be examined in the first part of this section.

The first type encompasses disputes that seemingly resulted because management desired to break the union. It is contrary to the Alberta Labour Act to refuse to bargain with a properly certified union, or intimidate members of the work force. Therefore, disputes caused by managements' attempts to disrupt the union will not always be obvious to an outsider. The only disputes analyzed are those in which overt attempts to disrupt the union occured. All four disputes in this category involved the transport industry. In addition, each dispute involved the unions' attempt to negotiate a collective agreement for the first time. In two of the disputes, management openly expressed its bitterness over the organization of their employees.[1] In the other two disputes, negotiations were carried out but management conceded none of the unions' requests.[2] In all of the cases it was evident that the compulsory conciliation measures only aggravated and prolonged the disputes. Following the conciliation board stage, the workers in three of the work units revoked union certification rather than pursue strike action. In the fourth work unit the men did go on

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[1] L.R. No's. 1278 and 1285.

[2] L.R. No's. 1015 and 1235.

strike but were replaced.[1]

Due to the limited occurrence of this type of dispute only two tentative conclusions can be offered. This type of dispute, identifiable by management's attempt to terminate the control of the union, will occur in trades that require little or no skill. They will appear more frequently when unemployment prevails. It is axiomatic among union negotiators that you never push your men too far when unemployment prevails. In some instances men would be willing to take a wage cut before they will go out on strike. This simply develops from an excess of supply over demand. Competitive wage cutting will be initiated and men will lose their jobs if their demands become inflexible. Of course, much of the outcome depends on the type of union security prevailing.[2]

The second cause of disputes results from overambitious union efforts designed to increase the prestige of the union and that of its officers.[3] Again only those disputes are examined where union politics appeared overtly as the cause of the dispute. Only two disputes fall into this category, and they both involve the transport industry. In one dispute management claimed it could not grant any wage increase because industry prices were

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[1] *infra.*, Chapter VI

[2] *infra.*, Chapter VI

[3] This cause does not automatically refer to those disputes that are created when the unions employ non-economic criteria. Wage theory indicates that union demands are often prompted by the gains that other unions obtain. In the text the word politics refers to any overambitious attempts that are not sanctioned by the membership.

controlled by the Board of Public Utility Commissioners.[1] Before the issue of strike action presented itself the union was divided into two new unions headed by two top ranking officials of the former union. Although it is not certain, it is likely that in the absence of executive unrest the dispute would not have occured. The second dispute is more clearly a result of union politics.[2] The dispute arose after a meeting of the workers had accepted management's final wage offer. The union executive, however, refused to acknowledge the membership's acceptance. The union was placed in trusteeship as a result of this internal conflict and shortly thereafter the employees voted for revocation of certification.

The greatest number of wage disputes have arisen as a result of what appears to be honest differences over what is a fair settlement. It should be recalled from the discussion on wage theory that unions have two motives for seeking wage increases. First, there is the economic motive which is prompted by changes in certain economic indicators. Second, there is the political motive which is prompted by the necessity of keeping abreast of the gains made by other unions. Two other features should be kept in mind. One is that the maturity of each bargaining relationship will determine the ease with which new criteria and wage comparison can be introduced. Second the concept of the key bargain, which initiates wage changes throughout an industry, or area, should appear in this study. This section will thus proceed to examine the in-

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[1] L.R. No. 226. [2] L.R. No. 75.

dividual disputes and attempt to uncover predominant patterns with respect to the choice of criteria.[1]

During an interview with a senior union official it was stated that wages often become a battleground for resolving poor labour relations and that wage demands sometimes become a manifestation of labour unrest.[2] This official went on to list five criteria to guide negotiating officials in making responsible wage demands. These are: cost of living, productivity increases, skills of the individual, regional labour rates, and the national pattern of adjustment. In the course of this study it was found that the last two criteria played the predominant role in determining wage changes. Certainly the last criterion permits the application of the key bargain phenomenon. The most frequent criterion employed by the unions is that of comparing local wage rates in an industry with the wage rates being paid outside the Province of Alberta, in the same industry.[3] Another union official has summed up the role of intra-industry wage comparisons when he stated that there is no reason why a worker in Alberta should not receive the same wage as a worker anywhere else who is similarly skilled and employed.[4]

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[1]Each dispute investigated in this study does not receive separate treatment because many disputes are similar in cause.

[2]Neil Reimer, National Director of Oil, Chemical, Atomic Workers, and Prairie Vice President C.L.C., January, 1963.

[3]This criterion will be referred to as intra-industry wage comparison.

[4]See Chamberlain's discussion on this topic under the self-explanatory heading "The Influence of Managerial Ability on Wages", Labor, chap. xix. appendix. Differing management abilities, factor costs, and size of plants can lead to different wage paying

Following are some examples of union requests containing intra-industry wage comparisons with firms situated outside of Alberta.

In the woodworking industry unions frequently compare wages with those being paid in British Columbia.[1] In one dispute the union produced agreements signed in Alberta, Saskatchewan, and British Columbia showing that workers in the latter two provinces received a twenty-six to fifty cent an hour advantage. An elaborate comparison was made in another dispute comparing total wage bills with gross values of certain lumber operations in the three prairie provinces. The Alberta ratio placed lowest. Two other disputes, involving the same company, involved similar union arguments.[2]

How did management counter these criteria? In three of the disputes management claimed inability to pay, citing such causes as increased freight rates, rising costs of operation, depletion of good forest stands, and declining prices caused by foreign competition in the export markets. In the fourth dispute management regarded the wage comparison argument with B. C. workers as invalid. It claimed that two entirely different operations were being compared. Since British Columbia's lumber operations were year round, rates must be competitive with those prevailing in the north western portions of the United States. On the other hand lumbering in Alberta is only a winter job, and often the men

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capacities. These different capacities combined with labour immobility, discussed in chapter I, can well lead to wage differentials within a trade or skill.

[1]L.R. No's. 1188 and 1503. [2]L.R. No. 1226.

are farmers, unskilled and incompetent. This statement implies that since the operations are different, so are the wage paying capabilities. The crux of these four disputes appears to be that the unions requested wages comparable to those being paid by operations in other areas. However, management claimed that these operations were so different that attempts to keep pace with their wage structure would result in company losses.

In the oil refining industry a dispute revolved around intra-industry comparisons.[1] The union wanted wages in a certain refinery, located in a small Alberta city, to be brought up to the national average being paid in the light oil refining industry. The company maintained that its wages were already fifty-five per cent higher than those prevailing in the area. Management claimed that this situation had a disruptive effect on the local economy. The opposing criteria in this dispute create a serious issue. Even if the union could demonstrate that the company is able to pay the national rates, there would still be considerable local pressures applied to the company to resist such demands. The company, only recently established in the area, could only upset the local wage patterns at the risk of being commercially ostracised. In two similar disputes, the same respective criteria were employed by both sides.[2] In one of these disputes the conciliation commissioner stressed an important principle that appears, at the present, to shape the views of both conciliators and management. This is that a permanent, and seemingly immutable, wage differential exists

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[1] L.R. No. 1331. [2] L.R. No's. 48 and 1913.

between eastern and western Canada.

The following two disputes involve union demands for national master contracts with firms possessing branches throughout Canada.[1] They also illustrate the above problems associated with union demands that involve intra-industry wage comparisons, when a permanent east and west wage differential exists. The union arguments pointed out that the city firm was one of many branches in Canada which was controlled from the eastern head office. If all other phases of work were run on a central basis, then why were not labour relations? What the workers had in mind, of course, was to bring wages to par with their eastern counterparts. The tenor of the companies' replies was that the local branches must make their own decisions because of the different regional costs of materials. Consequently, management ignored comparisons involving wages in plants outside of Alberta. In addition the company maintained that it had to grant wages commensurate with those prevailing in the area.

The workers in the printing industry based their demands on intra-industry wage differentials in western Canada and the United States during two disputes.[2] The union used wage comparisons involving the workers in Edmonton, workers in other prairie printing shops, and in the north western United States. It was the union's contention that the low wages being paid in Edmonton caused few workers to come here and many to leave. The simple solution proposed was for the employers to close the wage dif-

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[1] L.R. No's. 1023 and 2076. [2] L.R. No's. 305 and 2076.

ferential. A comparison was made of the pattern of past increases in western Canada's cities that showed Edmonton's past offers at the bottom of the list. The workers also noted that Edmonton is a boom town and recent settlements in this region had been for increases of fifteen to twenty cents per hour. They even noted that the mayor had recently received a wage increase. They also maintained that the employers could pass the wage increases onto the public. This they concluded from a recent price increase that had resulted in little loss of volume to the industry. In response to the suggestion that increased wages intensify inflationary pressures, the workers stated that the task of checking inflation was the responsibility of the federal government. As in other disputes similar to this the employers proposed their own intra-industry wage argument, with figures showing that sixty-two per cent of the wage contracts signed in the United States and Canada were along the lines of the employers' proposed settlement. They also claimed that wages had far outstripped the cost of living in the past eight years. The companies also cautioned the workers not to price their product out of the market. It was pointed out that several large clients who had previously contracted out their printing needs were now having it done by their own staffs. Any increase in the price of printing would accelerate this trend.

Management's reply in this dispute differed slightly from the previous rebuttals to the workers' intra-industry wage argument. In this dispute management illustrated that its contract proposals were comparable to the terms contained in two-thirds of the contracts

signed during the year in the United States and Canada. If these calculations are correct then the question is begged as to how comparable should industry wages be. In effect, how closely should the key bargain be followed? Should wages follow the highest wage paid in a particular region, or follow an average wage figure? The answers to these questions are not always clearly defined during negotiations.

What conclusions can be drawn from the disputes involving the intra-industry wage criterion? Most important is the fact that unions are not employing an acceptable form of comparison when they propose that their wages be equal to those of their counterparts in eastern Canada or the United States. Managements' constant rejection of this criterion certainly indicates that the wages in these areas are definitely not part of an acceptable wage pattern. In disputes where management employs the inability to pay criterion, it must be remembered that the long run survival of the firm dictates the company's wage offers. If then the company cannot pay the higher rates why does the union insist on demanding them? This is the real cause of the dispute.

A tentative hypothesis might suggest that bargaining relationships are not yet mature in those areas where disputes occured. Maturity would imply that through a process of trial and error, over the years of bargaining, a set of mutually acceptable wage criteria would evolve.[1] Any disputes occurring would be a result

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[1]A number of years of bargaining does not necessarily produce maturity. See the conditions for maturity: supra., p. 17.

of misunderstanding the relevant data; ordinarily, any resulting dispute would not be serious. Immature bargaining relationships imply that a group of mutually acceptable wage criteria has not been selected. Thus it becomes possible for serious disputes to occur. Are there any facts that support the immature bargaining hypothesis? First, over fifty per cent of the unions were either negotiating their first contract or had not as yet received any form of union security. Second, industrial growth in Alberta was largely a post-1946 phenomenon.[1] Industry followed close on the heels of the discovery of oil in Alberta in that year. The newly founded petro-chemical plants did not begin operation until 1952. Thus, it is likely that the average length of the combined bargaining relationships is not over five years. Also, unions may make insistent demands for intra-industry wage uniformity as a result of the influence of the international and national representatives who increasingly participate in local wage negotiations.

On what basis does management reject the intra-industry wage criterion? It was found that managements' rejections followed two lines. First, they pleaded inability to pay the higher wages. Often this inability was based on the fact that regional costs were higher, or that the firm employed for comparative purposes was not the same type of operation, therefore wage paying capacities differed. It is very difficult for unions and conciliators accurately to calculate the profits of a company. This was clearly

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[1] E.J. Hanson, Dynamic Decade (Toronto: McClelland and Stewart Lt'd., 1958).

illustrated in one dispute when one criterion employed by the union was the company's past profits.[1] The company's complaint was that the profit picture was not as healthy as it appeared; past operating losses had beed carried forward and applied this year and no federal income tax was paid. Therefore, this seemingly high level of profits could not be expected to continue. The company also contended that 1500 investors had not as yet received dividends. The second line followed in rejecting the intra-industry wage criterion is that of illustrating the disruptive effects that higher wages could have on the local economy. It can be recalled from the discussion on wage theory that managements as well as unions base their wage proposals on the local industry pattern. This is clearly what the evidence indicates from this study also.

In conclusion to this section, it was noticed that several other criteria often accompanied the intra-industry criterion. This raises the question as to whether these other criteria are compatible with the intra-industry criterion, or does the multiplicity of criteria indicate confusion, or lack of co-ordination, in the unions' demands. Generally it would appear that the ability to pay, and the increases in national productivity criteria are included to substantiate the claim that a company can, in fact, afford to pay the higher wage rate. On the other hand, the pattern of national wage adjustments and the cost of living criteria are presented to establish and justify at least a minimum wage increase.

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[1]L.R. No. 1149.

A second major criterion employed also involves intra-industry comparison. However, in the following disputes comparisons are made with firms both outside and inside a particular region. The major criterion employed by workers in one dispute was that their wages were lower than those being paid by the local competitor.[1] Also brought into the dispute were references to average industrial wages in Alberta, cost of living increase of four and one half per cent, and a predicted economic boom for 1960. The company maintained that it was a small operation that involved little specialized capital. Further, its product was different and more costly to produce than its competitor's. This is a dispute involving principally one major criterion, that being comparison of wages in similar shops. The apparent difficulty, however, is reaching agreement on an appropriate shop to be used for comparative purposes. Meanwhile, a dispute resulted from negotiations involving a competing firm.[2] In this instance the workers employed a different approach to justify their proposed wage increase. They based their demands on four criteria: that plywood prices were increasing, that the wage differential between Edmonton and Vancouver had increased eight cents in three years, that the cost of living had gone up, and that a comparison with other manufacturing industries in Alberta showed woodworkers near the bottom. Not suprisingly, management in this case employed the argument that its basic wage was already higher than its competitor's wage. It also reminded the workers that the work week was two hours

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[1]L.R. No. 1424. [2]L.R. No. 1300.

shorter in this shop, thus making overtime more expensive, and that the other plant had a one month probationary period. Workers not only receive a higher wage in this plant but they also enjoy greater benefits.

Two similar disputes involved the comparison of wages paid by competitors in the roofing products industry. In one dispute, the workers used increases in business activity, national pattern of settlement, and cost of living increases to justify a five per cent increase in wages from a city firm.[1] The company maintained that wage increases had exceeded the cost of living by thirty per cent in the past seven years and that this thirty per cent increase had not been offset by increases in productivity. After winning a three and one quarter per cent increase in this case, the union approached a rural firm and used the increase as its criterion for demanding a wage hike.[2] The company countered that business conditions did not warrant a wage increase even though a city competitor had recently granted one. An argument employed by both companies was that a non-unionized Alberta firm had recently cut prices which led to declining profits throughout the industry. The company was adamant in its stand and the union settled for a two and one half per cent increase.

These disputes bring out two points. They illustrate the workers' attempts to pull themselves up by their own bootstraps. This is done by using appropriate criteria to raise the leading company's wages, then turning around and using the higher wages

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[1] L.R. No. 723. [2] L.R. No. 1021.

of the first company as a criterion for raising wages in the second company. On the other hand, management in the higher wage company uses the low wages of the second company for its justification to maintain its present wage structure and oppose any increase.

The success at raising industry's wages in a region depends upon the key bargain which attempts to raise the high wage company's rates. In the key firm management resists upward pressures with the argument that its competitors' wages are lower. If the union is successful in this key bargain, it then becomes imperative for the unions representing the workers in all firms in that industry to seek wage increases.[1] How closely wage increases in other firms imitate the local key bargain depends on the strength of management's criteria. In the above instances the criteria were evidently strong enough to cause a dispute. What criteria made management reluctant to imitate the region's key bargain? In the first dispute, management claimed that its operation was entirely different from its competitor's, and that its product was more costly to produce. In the second set of disputes, management employed the inability to pay criterion, claiming that a non-unionized plant, paying lower wages, was cutting industry prices and depressing profits. The case for management is strong; as one union official has pointed out, the reason for negotiating equal rates in an area is so that

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[1]In some cases a firm may be the leader for all industries in a region. In the above disputes, however, the key firm only established the wage rate for the particular industry. For the key bargain concept see: Chamberlain, Labor, or Reynolds, The Structure.

no firm can gain an unfair cost advantage.[1] The breakdown of this principle in the above disputes was the apparent cause of conflict.

A general conclusion concerning this type of dispute can be tendered. Firms within a region will generally pay wages according to an historic wage grid that has been tacitly established. Thus, when the wages in an industry's key firm increase, the wages of other similar firms will tend to increase in some proportion. It seems plausible, from the limited data, that management would only resist these upward pressures on wages for a very good reason. In both disputes these reasons were ultimately based on inability to pay. Firms can only imitate key bargains and retain their respective positions on the local wage grid, in the long run, if profits increase relative to those of the other firms. In one set of disputes a newly organized, non-unionized competitor, had caused a decline in profits. Due to this, management claimed it could not afford a wage increase. In the other set of disputes, the union wanted a competitor to imitate the key bargain, not proportionately, but absolutely. Presumably it was a strain on union and membership relations to have intra-industry wage differentials existing in the same city. Management insisted that the two firms were not the same type of operation and therefore were not of the same wage paying capability. Ostensibly, imitation of the key

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[1]If unions do not secure equal wage rates for an industry in an area then some firms are able to operate at lower costs and hence reduce the product price. In addition some firms will contend that the union is discriminating against them.

bargain was economically impossible and the firm resolutely refused to match the key bargain.

A third major criterion found in disputes was the inter-industry wage comparison. In the dispute to be examined, however, the criterion was not a clear inter-industry comparison. The union attempted to show that the two industries were similar, as defined by the nature of the work performed, even though the final products were distinctly different.

In its submission, the union employed plant expansion, profits, national productivity index, wages paid in the company's other plants across Canada, and wages in the oil refining industry.[1] Specifically it noted that the wage differential between oil and chemical workers was widening in favour of the oil worker. Also, national productivity had increased by three per cent per annum between 1926 and 1955, while wages had only risen approximately one per cent per annum. Finally, because the company was a national concern it was to Edmonton's economic benefit that the local branch's profits were spent here rather than being allocated elsewhere. The company argued that the ten per cent wage increase granted in the previous year more than adequately met the increase in the cost of living. Further, the management saw no reason why it should pay rates equal to the top rate being paid in the refining industry. The company was already paying the second highest wages for the type of work involved in the area. The company further argued that the stage of development had been reached in Alberta where it would be wise to

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[1] L.R. No. 1011.

restrict wage increases and try to produce industrial and price stability. Finally, management pointed to the freight rate structure that placed Alberta at the apex; since freight rates vary across Canada it would be economic folly to create a national uniform wage standard.

As this dispute proceeded, the contentious criterion turned out to be the comparison of wages between the oil and chemical industries. It appears that the comparison of wages of these two groups in the past had been the acceptable wage criterion. Management did not plead inability to pay but defended its position on the basis that its wages were second only to those being paid by one oil refinery in the area. There is particular evidence in this dispute for assuming that the union involved was placed under heavy pressure to emulate the wages being paid in the oil industry. This is so because the refineries, with the exception of one were not unionized. It is apparent that the conflict in criteria here is of a serious nature. In the past it was evident that the chemical and oil workers had received almost identical wages. With this pattern established, it was naturally with great concern that both the chemical workers and the union witnessed the growing, unfavourable wage differential between the oil and chemical workers. What has occured is that management has upset the wage pattern for this type of work in the area. Wage theory tells us that over a period of time wage patterns will change as some firms prosper and expand and others stagnate and contract. Thus the economic conditions of each firm dictate the long run wages that can be actually afforded. In the above dispute, however, the firm did not plead inability to pay but

rather based its rejection of a wage increase on a plea for wage restriction and price stability. In view of management's resolute rejection in this dispute it is possible that non-monetary considerations helped shape management's decision.

Two special types of dispute involved wage decreases, and experience increments. The first dispute involved the workers of a shaft coal mine near Edmonton.[1] In this dispute management proposed a one dollar a day decrease in wages. It based its argument on two points. The mine was the only one unionized in the Edmonton area, and hence wages were higher than those granted by the non-unionized competition that also happened to be low cost, strip mines. These strip mines had forced down the price of coal and the company had been operating at a loss for years. Second, a differential had existed for many years between the Drumheller and Edmonton mines and the company claimed that the dollar decrease would restore this differential. The union rebutted these points with the argument that there should be no wage differentials in Alberta. Further, wage reductions were not considered to be a sound method of subsidizing marginal producers. No agreement was reached and the company shortly thereafter was sold.

This dispute illustrates the difficulty of adjusting wages in a declining industry. Management is faced with two alternatives, either to induce the union to change its wage policy, or to shut down operations completely. The first alternative is necessary in many long run instances, but the idea of an actual wage decrease

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[1] L.R. No. 813.

has usually become a completely unacceptable form of wage adjustment in the mid-twentieth century. Thus, with management unable to pay wages at the former rate, and the workers not willing to accept a wage decrease, management was forced to accept the second alternative.

The second special dispute involved a proposal to include an experience rating in the salaries of retail clerks.[1] The union's reason for advancing this proposal was that the workers would perform more satisfactory work if they were guaranteed experience bonuses. Furthermore, most stores had granted this proposal already. The company opposed this reasoning by claiming that experience leads to little or no increase in either proficiency or productivity in the retail sales business. The company claimed that it was quite capable of judging merit and, therefore, who deserved a wage increase.

A serious conflict of criteria occurs here. If most stores were granting experience bonuses, then pressure would certainly be exerted on the union to obtain this bonus. On the other hand, management jealously guards its rights, which in this dispute included the right to judge worker ability. As will be more thoroughly examined in Chapter VI, disputes involving management rights are imbedded in value judgements rather than economic data. This fact makes this type of dispute very difficult to arbitrate.

The last issue that remains to be examined in this section on industry is the issue of work shift differentials. The issue frequently appears during negotiations but it seldom appears as an important issue in disputes. Two examples will illustrate the role

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[1]L.R. No. 1561.

of the wage differential in disputes. In one dispute, the union claimed that the conditions man must endure after the sun goes down are different than in the day time.[1] Therefore, shift workers should receive more pay. In this case the union was asking for three cents an hour more than the regular day rate. Management argued that since the men were not living at home but in the camp it should not make any difference to them when they work. The conditions that man must endure while on night duty were explicitly outlined in another dispute. The union claimed that an increase in night rates was necessary to compensate the men whose sleeping, eating and socializing habits were disrupted.[2] In short, night workers are social misfits. The company regarded any increase in the twelve cent per hour shift differential as a straight cost item, and since the current rate was equal to the rate paid by other industries in the area, it was not necessary to increase it.

As in the first case, the criterion that unions employ to obtain shift differentials would appear to justify some extra remuneration for night workers. The amount to be paid, however, cannot precisely be established by this criterion. For the purpose of establishing the exact amount of payment an inter-industry comparison is employed. Changes in the industrial standard come about as a result of the nature of the shift differential issue in the union's package of proposals. Shift differentials are not likely to be an issue for which workers would strike. However, the differential is still part of the shift workers' regular pay, and therefore an

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[1]L.R. No. 1188. [2]L.R. No. 723.

important item. Thus, at various times it may be advantageous for management to permit an increase in the shift differential instead of increasing the basic wage rates. Of course if this increase raises the prevailing industrial standard then it does become an inter-industry bargaining criterion for other unions to employ in future negotiations.

Trades

Twenty per cent of the wage disputes analyzed in this thesis have originated from negotiations with this group. A brief description of the manner in which negotiations between the trades and the contractors are carried out precedes the analysis of the disputes.

The Edmonton Builders' Exchange is a body that binds contractors together in an effort to consolidate knowledge of local labour conditions, and establish uniform wage rates for the various trades. Within the Exchange there exists a group known as the General Contractors Section which is composed of about twenty large general contractors. Affiliated with the Edmonton Builders' Exchange are the employer associations representing specific trades. These are generally the contractors who hire only one specific type of tradesman. It is usually with a committee representing the contractors of these trades that the unions bargain. However, the select General Contractors Section has in the past overseen these negotiations because the general contractors sub-contract most of their work to the trades, and hence have an indirect pecuniary interest in the wage

rates established.

There are advantages to this procedure for both employers and unions. For the employers, who often compete against each other while bidding for contracts, a guarantee exists that no contractor will gain a cost advantage due to lower per unit labour costs. For the unions, it means a reduction in the number of separate negotiations that must be carried out each year. Since most contractors in the area recognize the wage rate established in the master contract, the union need only negotiate once in order to establish many contracts. However, the fact that not all city, and especially country, contractors sign the master agreement entails that unions must partake in some negotiations aimed at establishing collective agreements with individual contractors.

Two types of disputes occur as a result of the dichotomy of negotiations in the trades. The actual criteria employed for establishing wages in both types of disputes shows a marked similarity to what wage theory predicts. Master contract negotiations are clearly key bargains. When one trade is granted an increase, pressures are applied on all unions, by the different memberships, to emulate the wage increase. In fact, most trades will receive the same absolute amount of increase. Table 2 illustrates that there has become established a reasonably stable structure of trade wages. This may be one of the reasons for the paucity of wage disputes involving the building trades in the area. Certainly neither the trade differentials nor the yearly increases are perfectly rigid. However, an attempt by a trade to alter its

position considerably would be met with heavy disapproval. Hence, with this trade grid given, master wage negotiations in the past have not bred many insoluble difficulties.

TABLE 2.--TRADE DIFFERENTIALS IN NORTHERN ALBERTA.[a]
(Wages based on a standard forty hour week.)

Trade	1955	1956	1957	1958	1959	1960	1961-62
Brick Layers	2.30	2.40	2.40	2.60	2.70	2.80	2.90
Carpenters	2.00	2.00	2.30	2.35	2.45	2.55	2.70
Electricians	2.35	2.35	2.50	2.65	2.75	2.85	3.00
Labourers	1.35	1.35	1.48	1.60	1.70	1.82	1.95
Painters	1.65	1.80	1.80	2.00	2.20	2.20	2.20
Plasterers	2.22	2.30	2.35	2.50	2.60	2.70	2.80
Plumbers	2.25	2.35	2.35	----	2.70	2.75	2.80
Sheet Metal Workers	2.15	2.25	2.40	2.60	2.70	2.80	2.95
Cement Masons	1.95	1.95	2.05	2.20	2.30	2.40	2.55
Iron Workers	2.25	2.35	2.45	2.58	2.58	2.73	----
Reinforcing Rodsmen	1.70	1.80	1.93	2.05	2.15	2.25	2.35

[a]Calculated from contracts filed with the Board of Industrial Relations.

Out of sixteen wage disputes involving the trades, only six have occured at the master agreement level. Curiously enough wages, while being involved in these six disputes, have been the reason for conflict in only two of the master contract disputes. The other disputes arose as a result of union security proposals and poor labour relations between the two bodies.

The criteria employed for the key bargain negotiations are of an economic nature. Unions employ national productivity and cost of living increases to justify wage increases. The employers frequently counter with claims of depressed construction activity, and inability to pay. As has been indicated, however, disputes resulting from key bargains have been infrequent.

Once the key or master rates are established for each trade, the problem arises as to how closely contractors, who are not signatory to the master contract, should adhere to the master rates. A majority of the disputes in the trades has been of this type and the criteria used by the unions follow a set pattern. This is illustrated by two disputes involving the same company. The unions argued that they should be receiving wages equal to that established in the master contract.[1] The company argued that since it was not a member of the Edmonton Builders' Exchange, and had not taken part in the master negotiations, it was not liable to pay the wages agreed upon. The company, which at the time was constructing a high rise apartment, claimed that it was primarily a housebuilding contractor. In Edmonton the housebuilders are not as a rule organized. The union finds it difficult to allow a contractor who is working in Edmonton to pay lower rates to workers who are engaged in large construction projects. The cause of dispute in this case was that the contractor did not ordinarily undertake large projects.

A slightly different dispute developed between tradesmen and two rural firms.[2] The major criterion used by the union was

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[1]L.R. No's. 142 and 397. [2]L.R. No's. 1153 and 1500.

based on a desire to have wages on a par with other Alberta centers. Other reasons given for proposing a wage increase were that the tradesmen were laid off during the winter season and rainy weather, and that tradesmen in small centers have to be more versatile in order to adapt to varying job requirements. Presumably, the employers obtained a better tradesman for their money in the small centers. The union cautioned the employers that they should not exploit the workers merely because there were few job opportunities. The companies, in rejecting the union's proposals, claimed that their wages were higher than their competitors', and if wages get too far out of line the companies could not submit competitive bids on local work.

The basic point of contention in these rural disputes is whether intra-trade wage differentials should be allowed to persist in Alberta. Rural tradesmen frequently put pressure on unions to narrow, or close, the rural and urban wage differentials. However, the fact that established wage differentials do exist between city and country gives contractors an important criterion. The contractor need only demonstrate that since all wages are lower in the rural area his raising wage rates above the local level could have a disruptive effect on the rural economy. It will be recalled that this criterion is similar to the one found in industry disputes when intra-industry comparisons involved the wages paid in eastern and western Canada. Table 3, while very brief, illustrates the wage differentials existing in Alberta in 1962.

TABLE 3.--INTRA-TRADE AND GEOGRAPHIC WAGE DIFFERENTIALS FOR SELECTED TRADES IN ALBERTA, 1962.[a]

Trade	Edmonton[b]	Calgary	Lethbridge	Med. Hat	Banff	Jasper	Red Deer
Bricklayers	2.90	2.95	2.75	2.85	2.95	2.70	2.95
Carpenters	2.70	2.70	2.50	2.40	2.70	2.45	----
Electricians	3.00	2.95	2.70	2.50	2.75	2.75	2.75
Labourers	1.95	1.95	1.60	1.35	1.65	1.60	1.40
Plasterers	2.80	2.80	2.60	2.25	2.80	2.60	2.70
Plumbers	2.80	2.75	2.75	2.35	2.75	2.60	2.65
Sheet Metal Workers	2.95	2.75	2.65	2.20	2.75	2.60	2.65

[a]Figures from: Canada Department of Labour, and union agreements filed with the Alberta Board of Industrial Relations, Edmonton.

[b]Insofar as the rates are negotiated by unions the work week would be forty hours. For city and rural work contracted on an individual basis the work week would likely be forty-four and forty-eight hours respectively.

Two isolated disputes conclude this section. In one dispute management argued that since it was not a local firm, but only engaged in sub-contracting in the area, the responsibility of bargaining with the union fell on the general contractor;[1] the company was reluctant to negotiate a wage agreement that might be unacceptable to the general contractor. The trade involved had no master agreement with the Edmonton Builders' Exchange and the workers were attempting to secure a wage increase for this project. The union used as its criteria, cost of living, pattern of increases in

[1]L.R. No. 1160.

Edmonton for other construction trades, and increases in the trade's wages in eastern Canada and Calgary. Following communication with the general contractor, the dispute was settled.

In a similar dispute the question of who is management's proper bargaining agent arose.[1] The union demanded a small increase in wages plus an increase in the wage differential between foreman, sub-foreman, and worker. The company was perturbed with this union's attempts to raise wages. They maintained that the union should, as in the past, negotiate with the Edmonton Builders' Exchange. In this way a uniform wage rate could be established for the Edmonton area. The company, therefore, was not willing to grant any increase.

No further general conclusions, concerning wage disputes, are offered at this point. They must wait until the following chapters have examined other important contributing causes of disputes.

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[1] L.R. No. 640.

CHAPTER IV

HOURS OF WORK, OVERTIME, AND HEALTH AND WELFARE BENEFITS

Hours of work, overtime premiums, and health and welfare benefits are grouped together because they play a significant role in determining a worker's real income. Since these issues are so closely bound in with the process of determining basic wages it is difficult to assess their individual and direct impact on disputes. The issues of hours of work, and health and welfare benefits have each appeared in over one quarter of the total disputes.

An interesting conclusion resulted from the material dealt with in this chapter that made it necessary to approach examination of the criteria in a manner different than that in the preceding chapter. Whereas in the treatment of wages unions accepted inter-industry, and in some cases intra-industry, wage differentials they have not accepted even the latter type of differential with respect to hours of work, overtime premiums, and to a large extent health and welfare benefits. The inference to be drawn from this attitude is that these issues are of such paramount concern that the economic conditions of production and marketing, which create wage paying differentials both inter and intra-industrially, become invalid criteria when hours of work, overtime premiums, and health and welfare benefits are the proposed bargaining issues. As will be seen, certain standards are established that govern these con-

ditions of employment. Furthermore, the standards become so rigid and so well defined that they become industrial institutions. An example of this is the forty hour work week.

The approach in this chapter and the next is to pay particular attention to the recommendations of the conciliation commissioners and the boards. As a result of the impartial nature of these offices it is possible to establish the prevailing standards governing these different issues. It becomes apparent that many of these standards are established, not on a local basis, but on a national and international basis. It was not possible, or necessary, to establish sweeping standards in order to judge the wage criteria in Chapter III since each firm's economic condition and ability to pay ultimately determined the long run wage level. However, as will be witnessed by examining the following disputes it appears that conditions concerning the issues of hours of work, overtime premiums, and to a lesser degree, health and welfare benefits must be established in accordance with the prevailing standards. In effect, these issues are so basic to the concept of work per se that they should be established before the wage rate. What are some of the anticipated questions that it is hoped examination of the disputes in this and the following chapter will answer? First, how does management rebut the national, inter-industry criterion? Second, do any disputes deal with a request for an increase in the prevailing standards, and how do changes in standards come about? This last question is significant because two disputes deal with a proposed shortening of the existing forty hour work week.

Hours of Work

In incorporated areas in Alberta with a population of less than 5,000 inhabitants, the hours of work are limited by statute to forty-eight in a week, nine hours in a day, and six days in a week. In incorporated areas exceeding 5,000 inhabitants, the hours of work are forty-four in a week, nine in a day, and six days in the week.[1] However, the statute does not invalidate contracts calling for more than the maximum hours if the overtime hours are paid for at a premium rate. It should be pointed out that in many cases the weekly limit does not necessarily reflect the number of hours the workers desire to work but rather the number of hours beyond which any work performed must be rewarded at premium rates. Government order-in-council requires that overtime be paid for at one and one half times the regular hourly wage rate.

Although the maximum hours of work are set at forty-eight and forty-four hours per week for rural and urban areas respectively, most organized workers have enjoyed a forty hour week in urban areas since the late 1940's. The carpenters, electricians, painters, and plasterers obtained a forty hour work week as early as 1946. The forty hour work week has become recognized as the industrial standard. Recently, however, there has been agitation for an even shorter work week and this demand may provide a frequent source of conflict in the

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[1] Revised Statutes of Alberta 1955, Chapter 167, Section 12. The actual daily limit is set at eight hours, but in the event that the hours worked on one or more days of the week are fewer than the daily limit for some other day in the week, it may be exceeded by one hour without the approval of the Board of Industrial Relations.

near future.

The majority of disputes involving the hours of work issue concerned union requests for a forty hour work week. In one dispute, the union had recently been certified and was negotiating its first collective agreement.[1] Prior to negotiations the company had reduced its hours from forty-four to forty-two in the week. The union requested a forty hour week because it had become the standard. It charged that it was an act of discrimination on the part of the company to employ their staff on a forty-two hour basis. In two other disputes, the union demanded both an increase in the wage rate and shorter hours.[2] The union claimed that all establishments of this kind in Alberta, except in Edmonton, employed their workers on a forty hour a week basis. Management claimed that the increase in wages combined with a shorter work week was far in excess of the cost of living increase. Management also argued that if the proposals were granted it would boost Edmonton's wage scale above that of Calgary's and this would certainly lead to industry unrest and instability. In all three disputes the conciliation commissioners and boards upheld the unions' requests for a forty hour week.

Another dispute took place in a small city between the city council and some of its employees.[3] The workers wanted a reduction in hours from forty-four to forty. They founded their proposal on two criteria: all other civic employees in the city worked a forty hour week; statistics showed that seventy-two per

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[1]L.R. No. 341. [2]L.R. No. 39. [3]L.R. No. 1846.

cent of the workers in Alberta worked a forty hour week or less. City council treated the hourly reduction as a straight cost item. This view was expressed in their compromise offer. Council had previously agreed to contribute forty per cent to a welfare plan, but if the forty hour week were to be granted the welfare plan would be deleted.

Two other disputes resulted over the unions' efforts to obtain management's acceptance of the master contract that establishes the working conditions for the Edmonton area.[1] The criteria used were similar to those used by unions when attempting to get management's acceptance of the wage rates established by the master contract. The unions claimed that failure to comply with the forty hour work week, spelled out in the contract, gave the company an unfair competitive cost advantage since overtime did not have to be paid until forty-four hours had been worked. Also, and most important, the hiring of workers on a forty-four hour basis constituted discrimination among the workers of the same trade. Management argued that since it was a housebuilder and not a general contractor it was not in the same category as the contractors who were signatory to the master contract, and could not possibly meet the terms. In both of these disputes the conciliation commissioners and boards recommended adoption of the forty hour week.

All of the above disputes were caused by union attempts to secure a standard forty hour week. Furthermore, the disputes involved workers in industry, trade, and the services. All requests were

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[1]L.R. No's. 142 and 397.

based on a comparison with the prevailing standard. The criterion of ability to pay, as a result of increased productivity, was conspicuously absent in all of these disputes. It thus appears that compulsion from the membership prompts the unions to propose requests based on prevailing standards.

Why does management reject adoption of the prevailing standard? The answer seems to be that a firm's weekly work schedule gets built into its economic structure. When the unions request a reduction of the work week, and an increase in the hourly wage bill, without there being an accompanying increase in productivity, it presents a considerable narrowing of profits for the firm.[1] A reduction in the work week, with hourly wages remaining constant, will itself cause a drop in revenue if productivity has not increased.[2] However, in conjunction with the shorter work week, unions also request the same take home pay, which means that costs per unit or output rise. Thus the cause of dispute concerning hours involves both the wage and hourly issue.

The final and more limited type of dispute involves union requests for a reduction of the forty hour work week. In one dispute, the union requested a thirty-seven and one half hour work

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[1]Except in a few instances where the labour force has acquired additional training, increases in productivity will be a result of capital, or work process improvements introduced by management.

[2]Depending on demand, at some point it may become feasible for management to institute another daily work shift. In this manner total revenue can be increased and per unit fixed costs lowered for a specified period of time. However, per unit variable costs cannot be affected and it is likely that average per unit costs will be higher.

week.[1] It based its demands on two criteria. First, with encroaching automation, a reduced work week will mean more job opportunities. Second, it was pointed out that similar tradesmen in Vancouver and Victoria worked a thirty-seven and one half hour week and in Winnipeg and Regina a thirty-eight and three quarter hour week. The employers maintained that automation was not yet a threat, but if and when it becomes desirable and feasible to shorten the work week management will grant a one and one quarter hour reduction.[2] The hourly issue became very contentious during negotiations and was finally settled by making of written provision in the contract for consideration of the shorter week three years later, when contract renewal would again come up. At this later date negotiations again centered around the hours of work issue. The final contract stated that commencing in the following year the workers would go on a thirty-seven and one half hour work week with the same take home pay.

The criteria employed by a union for requesting conditions more favourable than the prevailing standard, and requesting conditions equal to the prevailing standard differ. In the first type, identified by requests for a forty hour week, the unions request the standard forty hour week as a matter of justice. In the second, the unions request a reduction in the forty hour week seemingly as a palliative for the unemployment effects of automation. Management

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[1]L.R. No. 2076.

[2]Presumably it would become feasible to institute the shorter work week when productivity had increased enough to compensate for the shorter work week and production run. This would indicate that the shorter work week is entirely an increased operating cost to management.

rebuts both requests with an inability to pay criterion. In conclusion to this section, it is interesting to examine in a little more depth how an industrial standard such as the forty hour week becomes established and how it undergoes change. Besides being of interest in dispute settlement, the problem is also of importance because when this type of standard changes it indicates an increase in the workers' real standard of living.

There is not much doubt that the hours of work in Alberta are greatly influenced by United States' practice. This occurs not only as a result of Alberta's close proximity to the United States but also because of the international organizational nature of both unions and companies. It is not a coincidence that eight years after United States legislation established the forty hour work week as a standard, in 1938,[1] that the forty hour work week came into existence in Alberta. If we allow for the six years of war that disrupted normal labour relations processes, the time lag is not very great between United States enactment and Alberta adoption of the forty hour week.

The reduction of working hours to forty in a week was undoubtedly pursued by unions as a matter of improving the workers' physical and mental health. In addition, the shorter week was sought in order that the worker could engage in recreation, education, and civic activities. The criteria used today for the shortening of the work week standard have changed. While there is still emphasis on

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[1]United States Fair Labour Standards Act, 1938. This Act established the normal work week at forty hours and provided for a premium of one and one half times the regular wage for all hours worked in excess of forty in a week.

the need for improving the workers' physical and mental conditions, the major criterion for shortening the work week is that existing and future employment opportunities can be better spread among more workers. The employment reducing effects of automation, it is claimed, can be partially offset by parcelling out the remaining work to more employees.

Among others, Ostry notes that the present requests for reduction of the work week are not backed by a desire for more leisure. She illustrates the point with reference to a study demonstrating the increased amount of moonlighting being done.[1] This situation seems to apply to Alberta although it is too early to come to any certain conclusions. A company official in one industry stated that the real reason behind requests for a reduction in weekly working hours was not the workers' fear of unemployment, but rather the opportunity to take a second job. The official also stated, as a result of recent experience, that productivity increases are not enough to offset the drop in output caused by a reduction in man hours worked.

How short the work week will ultimately become is a moot point. However, the desire for shorter working periods, whatever the motivation might be, may in the future be met by longer vacation periods and more recognized statutory holidays.[2]

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[1]Woods and Ostry, p. 378. For a similar treatment see: Reynolds, pp. 218-222. A concise but informative treatment of many of the issues associated with the reduction of the work week can be found in the published results of a symposium: "Repercussions of a Reduction in Hours of work," International Labour Review, LXXIV (December, 1956), 23.

What is the future for the shorter work week in Alberta? One government official feels that the shorter work week has been pending for years and now that it has been adopted in a few local contracts, it will become more and more prevalent in union demands.[1]

Overtime Premiums

Overtime premiums have played a limited role in causing disputes. They have been involved in contract negotiations at the conciliation board level in only fourteen per cent of the total disputes. This, plus the fact that requests for increased overtime premiums are based on the same criteria as requests for shorter hours of work, obviates the need for extensive treatment of this issue.

Overtime premiums are sought in three types of situations. First, workers desire overtime premiums if they work longer than eight hours in any day. For this type of overtime a payment of one and one half times the regular wage rate has become the standard. Workers desire overtime premiums for work performed in excess of the normal forty or forty-four hour a week limit; this involves working on Saturdays and Sundays and the hourly premium has been established at double the regular wage rate.[2] Third, workers desire overtime

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United States' steel industries recently negotiated three month vacation plan.

[1]Mr. J. B. Adams, Chief Conciliation Commissioner, Alberta Board of Industrial Relations. Interviewed September 5, 1963. It is also expected that when the thirty-seven and one half hour work week becomes established, overtime premiums will be paid for all work performed in excess of these hours. In effect, the overtime standard will shift down to keep in step with the length of the work week.

[2]Workers expect to receive greater compensation for working

premiums for statutory holidays worked. While this is a special overtime case, the standard premium is again double the regular hourly wage rate.

Without presenting the individual disputes in this section it can be stated that nearly three quarters of the disputes involved union requests for conditions in excess of the prevailing standards.[1] The final one quarter involved union requests for conditions equal to those established by the prevailing standards.[2] In these latter disputes, both unions were negotiating a contract for the first time. The criterion employed for requesting the standard overtime premium is merely that of comparison with the rates being paid by local industry. This type of request is difficult for management to rebut because the cost of granting the request is usually quite small and the standards are consistently upheld by conciliation commissioners and boards. In the two disputes that involved this type of request the cause of conflict was undoubtedly the fact that the parties were negotiating their first contract and management was not willing to concede anything.

The rationale, or basic criteria, behind the payment of overtime premiums were enunciated in one dispute.[3] The union based its request on two points. First, overtime was a penalty for schedul-

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on a Saturday afternoon, after forty or forty-four hours have been exceeded than say for working on a Tuesday evening, after eight hours have been exceeded.

[1] L.R. No's. 640, 1023, 1149, 1160, and 2077.

[2] L.R. No's. 397, and 1314.

[3] L.R. No. 1023.

ing overtime work. The reasons for this penalty being that overtime disrupts family, religious, political, and social activity. Second, the costs of overtime are small compared to the benefits received such as the meeting of deadlines, assurance of repeat orders, and the reduction of overhead cost.

These criteria, while substantiating the need for overtime premiums, are not of much value in determining the exact amount that overtime premiums should be. Similar to the issue of shift differentials, and unlike the issue of the work week, requests for changes in the standards governing overtime premiums have so far not been substantiated by changes in criteria.[1] Thus the issue of increased overtime premiums becomes suspicious in that it is not likely to be an issue that the workers would strike for, but rather it is an issue inserted for tactical bargaining purposes.

Since the present overtime premium standards are heavily influenced by United States and eastern Canadian practices, a breakthrough to higher premiums in Alberta will likely have to wait for a breakthrough first in these areas. It is possible, however, since overtime premiums are not as important as hours of work that a local employer may allow an increase in overtime premiums instead of conceding a greater basic wage increase. This would occur if the employer thought it to be to his economic advantage. A more thorough examina-

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[1]Recall from the discussion on hours of work that unions have changed their criterion from that of desiring more leisure to that of offsetting the unemployment effects of automation. In all likelihood the proposal for a reduced work week is borne out of an actual concern for maintaining employment, and is not inserted into collective bargaining for tactical purposes.

tion of this use of issues in the collective bargaining process appears in the final section of this chapter and in Chapter V.

The above statements should not be contrued to imply that overtime premiums per se or requests for conditions equal to the established standards, are not genuine bargaining issues. In those instances where the workers are not receiving the established rates, it is to be expected that pressure will be brought to bear on the union to secure them for the workers. This is quite distinct from those disputes where the union requests premiums in excess of the established rates. Since these latter rates are not as yet being received by any workers in the region, no compulsion is brought to bear on either the union or management.

Health and Welfare Benefits

Disputes involving requests for health and welfare benefits will be treated similarly to the issues of overtime premiums and hours of work. An attempt will be made to ascertain the prevailing standards for each issue in this section. The disputes will then be examined to see if the unions either requested an increase in the prevailing standards or requested that the prevailing standards be granted by management. It can be expected that union and management criteria will vary depending on the type of union request.

The distinction between disputes originating in the industry and trade sectors was dropped for the analysis in the preceding two sections but this distinction is again adopted in this section. Eighty-three per cent of the disputes dealing with requests for health and welfare benefits originated in the industry sector.

The problems of negotiating health and welfare benefits in the trades will be dealt with at the end of this section

All benefits dealt with in this section are designed for the purpose of succoring employees and their dependents when the worker is rendered incapable of earning a living wage as a result of accident, unemployment, sickness, or death. These benefits are very important to the worker because they form a portion of his real income. As a result, health and welfare costs are calculated on an hourly basis as if they were part of a worker's basic hourly wage. How prevalent are health and welfare plans? Provincial government sources estimate that only fifteen to twenty per cent of the workers under formal contract are covered by some form of protection.[1] The typical health and welfare package

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[1]In the United States it is estimated that about twenty-five per cent of the civilian work force is covered by negotiated health and welfare benefits, see: J. Barbash, "The Unions and Negotiated Health and Welfare Plans," New Dimensions in Collective Bargaining, eds. H.W. Davey, H.S. Kaltenborn and S.H. Ruttenburg (New York: Harper and Brothers, 1959), chap. v. However, across the board welfare comparisons between Canada and the United States are somewhat illegitimate because supplementary unemployment benefits and guaranteed annual wage features exist in United States' contracts but not in Canadian.

In Sweden and other European countries the government dominates the health and welfare programs. In Sweden, for example, the various levels of government contribute approximately sixty-five per cent of the pension funds, eighty per cent of the unemployment funds, one hundred per cent of the dental and medical care funds, and thirty per cent of the sickness benefit insurance fund. In addition the employers are required to meet all the costs of accident insurance. The most significant feature to be noted for contrasting purposes is that all workers are covered by these plans. For a study on the Swedish situation, see: Peter Heinig, "Social Services and Public Expenditure in Sweden," Industrial and Labour Relations Review, XIII (July, 1960),533. The major point to be drawn from this comparison is that while real wages and the standard of living in Sweden and other European countries are lower than in Canada, the European worker has more guaranteed basic security than his Canadian counterpart.

contains a pre-paid medical and hospital care scheme, and life insurance. The average cost is about ten cents an hour, or four per cent of a two dollar and fifty cent hourly wage.

As stated above the basic health and welfare package contains a pre-paid medical and hospital care scheme, and life insurance. These issues should not be regarded as the only health and welfare issues in dispute, however. Issues such as sick pay, one hundred per cent accident compensation, pensions, and supplementary unemployment benefits can be thought of as means of increasing the basic health and welfare package.

These issues will be dealt with in turn following examination of the dispute concerning a union request for part of the basic health and welfare package. In this instance management argued that its financial position did not warrant the granting of a medical plan.[1] The union employed an intra-industry comparison with a British Columbia firm. The conciliation board concurred with the union's view and final settlement called for institution of the medical plan.

The most prominent and disputed issue requested by unions, as a means of increasing health and welfare benefits, is sick pay.[2] Four phases of the sick pay issue appear in dispute. These are: the percentage of total cost to be borne by each party, the percentage of regular pay that will be granted for compensation during sickness,

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[1]L.R. No. 1300.

[2]Sick pay applies to illness supposedly not contracted on the job. Workers legitimately injured as a result of an accident on the job automatically receive payment from the Workman's Compensation Board.

the duration that sick pay will be granted, and whether sick pay should be cumulative from year to year, and at what rate.

Since the issue of sick pay is only emerging as an industrial practice, no rigid standards have become established yet as they have in the hours of work and overtime premium issues. Two standards seem to shape the views of conciliation commissioners and boards. These concern the proportion of the cost to be borne by each party and the proportion of the regular wage to be granted in time of sickness. Respectively the standards are fifty per cent each, and seventy-five per cent. This latter rate has been adopted from the Workman's Compensation Board's rate for accident pay. In one dispute the union requested management to bear one hundred per cent of the cost.[1] In another the union requested that management grant sick pay in an amount equal to one hundred per cent of the regular wage.[2] In both disputes the requests by the unions were based on intra-industry comparisons with eastern Canadian firms. Both management and the conciliation board based their proposals on the regional standard.

The issue of cumulative sick pay has not as yet gained acceptance in the Alberta region. In four disputes involving this issue the conciliation commissioners and boards did not recommend that it be granted.[3] The companies based their rejection on the grounds that very few firms in Canada granted this proposal.

A second large area of conflict is provided by union requests for one hundred per cent compensation in the event of

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[1]L.R. No. 1913. [2]L.R. No. 1021.

[3]L.R. No's. 723, 1015, and 2077.

injury sustained on the job. Compulsory contributions by the employer to the Workman's Compensation Board now guarantee the worker seventy-five per cent of his regular wage, should he be incapacitated for any length of time.[1]

In support of the proposal for one hundred per cent accident compensation the unions advance inter-industry comparisons.[2] The usual plan conceived by the unions is for the company to continue payment of the regular wage and for the worker to remit his Workman's Compensation cheque to management. In three of the above four cases, one hundred per cent accident compensation was recommended by the conciliation commissioners on the basis that it was prevalent in industry.

Unions press the issues of sick pay, and one hundred per cent accident compensation. These proposals have been adopted in the region and therefore create pressures on the unions to emulate them. However, in the two disputes involving sick pay the unions made requests for benefits in excess of the prevailing standard. Neither union or management was under any compulsion to pay the higher rate, since no other firm in the region was paying it. Thus, it appears that these requests were inserted for tactical bargaining purposes and that the extent to which unions press for them, and management opposes them, will depend on the outcome of the wage issue.

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[1]Benefits are provided until the worker can return to his job. Should the worker be permanently maimed or incapacitated he then becomes eligible for a pension.

[2]L.R. No's. 399, 1149, 2077, and 2078.

The same line of reasoning applies to the disputes involving cumulative sick pay since the union requests were, in effect, for increases in the prevailing standards of health and welfare benefits.

Disputes involving the issue of one hundred per cent accident compensation are different because the unions were requesting a benefit that was already a standard for the region. Thus, there was compulsion on both union and management to meet these standards. Why does management refuse to grant these benefits if they have become a standard? This is the apparent cause of conflict. Part of the reason had already been hinted at earlier; that the standards which apply to many of the issues, covered by the phrase health and welfare benefits, are not as well defined or prevalent as those standards governing hours of work and overtime premiums. Another significant difference is that whereas hours of work and overtime premium standards are national in scope, the health and welfare benefits, excluding the basic package, seem to take some account of differences in the economic conditions of the various firms. Thus, the granting of benefits in excess of the basic health and welfare package seem to be controlled by much the same factors that determine basic wages, that is, the ability to pay of each firm.

The final two disputes involving negotiations in industry, concerned union requests for supplementary unemployment benefits.[1] The unions advanced the argument that existing unemployment benefits

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[1]L.R. No's. 359 and 1225.

were not adequate to allow a man a decent living. Management agreed that this type of scheme had gained popularity and acceptance in the United States. However, this plan was not applicable to Canada; unemployment insurance was administered by the individual States and as a result differential rates evolved throughout the country and supplementary benefits were instituted to remove the differentials. In Canada, however, unemployment insurance is administered by the federal government and therefore the rates are uniform throughout the country. In neither dispute was the benefit granted. This item is seldom requested in negotiations. It can be concluded that the issue was not a major issue in either dispute but was employed as a tactical bargaining issue.

In concluding this section on health and welfare benefits, it is important to look at the problems that implementation of these benefits into the trades[1] involves. Only one dispute has occurred in the trades involving health and welfare benefits.[2] Negotiations soon bogged down over the problems of instituting a portable plan and the final agreement contained no provision for health and welfare benefits.

The problem of instituting health and welfare benefits into the trades stems from the fact that to be successful the plans must be contributed to regularly by both employer and employee. Employment in the trades is of both a transient and seasonal nature that

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[1]Recall that the trades are defined to include only seasonal workers.

[2]L.R. No. 174.

makes both regular payment and administration hazardous, difficult, and costly. Effective administration and collection of contributions implies the necessity of having some public administrative agency. As a result of this it is not surprising to see the federal government making a study of possible portable pension schemes. It is probable that the successful solution to the implementation of a basic health and welfare plan in the trades is state administration.

What general conclusions can be tendered as a result of the examination of all three issues in this chapter? It is apparent that two general types of disputes occur. The first type is based on union requests for conditions that are presently prevailing in the region. The second type involves union requests for conditions in excess of the prevailing standards. What are the criteria used in each type of dispute and where do they conflict?

A union requests conditions equal to the prevailing standards because compulsion is brought to bear on it by its membership; workers elsewhere receive benefits equal to the prevailing standard. It is also this prevailing standard that becomes the union's criterion for requesting changes. In descending order of generality, the standard work week, the standard rate of overtime premiums, and the standard health and welfare package apply to the whole of Canada, not just the Alberta Region. Without fail the conciliation commissioners and boards will recommend these standards. Why does management in these disputes refuse to recognise the prevailing standards? With respect to hours of work the answer seemed to be that a firm's weekly work schedule got built into its economic

structure. When the unions requested a reduction of the work week and an increase in the hourly wage bill, without there having been an increase in productivity, it presented a considerable narrowing of profits for the firm. Thus, the cause of dispute concerning hours of work involved both the wage and hourly issue.

Only two disputes involved management's refusal to pay the standard overtime rates, and in both cases the unions were negotiating a contract for the first time. Both disputes were a result of factors outside the realm of good faith collective bargaining.

No disputes occured as a result of management's refusal to grant the standard health and welfare package. Some standards have been established for items not included in this basic package but adherence to these standards does not appear to be in any way compulsory.

The second major type of dispute, stemming from union requests for conditions in excess of the prevailing standards, has a different explanation. Most of these union requests are long range proposals inserted into negotiations for tactical purposes. The conditions being requested will not usually be in existence in the region and therefore there is no compulsion on the union to obtain them. As a consequence, requests for conditions not already in existence in the region are not issues that workers would strike for, assuming wages to be adequate. As a rule, changes in the standards for hours of work and overtime premiums will have

to await changes in eastern Canada and the United States. It is possible, however, that changes in overtime premiums would result because management considered it more favourable than granting some other proposal. Changes in health and welfare benefit standards, excluding the basic package, seem to come about at the local level.

For the purposes of this thesis the first type of dispute is of greatest concern because the issues involved are of the nature that workers would strike to obtain them. The second type of dispute involves those issues that are inserted for tactical bargaining purposes and do not represent the real cause of dispute.

CHAPTER V

STATUTORY HOLIDAYS AND ANNUAL VACATIONS

The issues of statutory holidays and annual vacations have frequently been in dispute. These issues are similar in bargaining nature to shift differentials, overtime premiums, and health and welfare benefits. It seems appropriate at this point to sum up what has already been concluded, or inferred, about the role of this type of issue in collective bargaining, and in causing disputes. It is hoped that this introduction will outline the significance of these fringe issues[1] in the collective bargaining process and allow for an appraisal of their role in causing disputes.

There are two features of fringe issues that warrant examination. First, unions have requested conditions equal to the prevailing standards. Second, unions have requested conditions in excess of the prevailing standards.

In the first case, the criterion employed by the unions is that of pointing to the prevailing standard and requesting these conditions as a matter of justice. It was found that the prevailing standards were heavily influenced by the industrial

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[1]For the sake of brevity the phrase fringe issues is introduced and defined to include the issues of shift differentials, hours of work, overtime premiums, health and welfare benefits, statutory holidays, and annual vacations.

practices of the United States and eastern Canada. The issues were so important that inter-firm differentials of ability to pay were of little consequence in deciding the outcome. Also, almost without exception, the conciliation commissioners and conciliation boards recommended that the prevailing standards be granted.

The question to be answered is how important are these union requests in causing disputes? To answer this it must be recalled from Chapter I that a cause of requests by unions is compulsion from the membership.[1] This compulsion arises whenever the membership witnesses workers in other unions, or areas, receiving higher benefits. As a result, union officials may be under intense pressure to secure higher benefits. Of course, the intensity of the pressure will depend on the size of the differential and the issue involved. More will be said about this in connection with the issues of holidays and vacations later. In answer to the question raised above it is concluded that fringe issues are important in causing disputes only if the workers are receiving less of some fringe benefit than workers elsewhere. In these cases pressures result that force the union to press for adoption of the prevailing standard.

In the second case where the unions request the adoption of conditions in excess of the prevailing standards the motivation is entirely of a different nature. The fringe issues in this case play a dual role. First, they are tactical bargaining issues that the union can trade off for some concession by management. Second,

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[1] *supra*, chapter I.

they are introduced for long range purposes. A specific request may not be of much importance to the union at the present time but nonetheless it indicates to management the direction of future requests. Infrequently management may grant a request in excess of the prevailing standard if it is more economically favourable than granting some other cost item. Usually, however, changes in prevailing standards have come about as a result of changes in the United States and eastern Canada.

How important are union requests, for conditions in excess of the prevailing standards, in causing disputes? It is concluded that they are not very important.[1] Since these requests are not being granted by any firm in the region neither union or management is under any compulsion to meet them.

Before examining the individual disputes, concerning the issues of statutory holidays and annual vacations, it is necessary to qualify the above general remarks. The standards governing holidays and vacations do not appear to be as inviolable as those governing many of the other fringe issues. This is concluded from the fact that conciliation commissioners and conciliation boards will often make recommendations for conditions not equal to the prevailing standards, and unions will accept them. In this respect the standards represent goals towards which the unions inexorably advance. This would tend to substantiate the fact that the issues

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[1]This excludes the possible situation where unions, having been refused a basic wage increase, attempt to raise the workers' real incomes by gaining an increase in one of the fringe issues. However, there was no direct evidence of this practice in the study.

of statutory holidays and annual vacations are more similar in nature to health and welfare benefits than to hours of work, or overtime premiums. The result of requests concerning the former issues will tend to be shaped by the economic conditions of each firm. As a result of this, changes in standards will occur in the region and not always depend on practices in the United States and eastern Canada.[1] Compulsion from the membership is not so strong with respect to obtaining equal conditions regarding statutory holidays and annual vacations. As Mr. J. B. Adams[2] has stated, "prevailing standards are derived through the process of continual asking." Another feature, applying especially to annual vacations, is that standards undergo frequent change that makes it difficult to establish any one general standard.

In this chapter the procedure will again be to attempt to ascertain the prevailing standards by paying attention to the recommendations of the conciliation boards. The union requests can then be categorized according to whether they are for conditions equal to the prevailing standards, or for conditions in excess of the prevailing standards. Finally, some conclusions will be attempted concerning the importance of the holiday and vacation issues in creating disputes.

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[1]Although it can be expected that standards in the United States and eastern Canada will always tend to lead standards in other regions, and provide a ceiling.

[2]Alberta Board of Industrial Relations.

Statutory Holidays

There is a marked difference between requests for holidays by unions representing the trades and those representing industry. Out of the twenty-six disputes involving the holiday issue only one concerned negotiations with the trades. Before dealing with this difference, it is necessary to explain what constitutes a statutory holiday in the context of labour contracts. A statutory holiday may be declared by federal, provincial, or municipal governments.[1] There is no compulsion on any firm or person to observe a statutory holiday and the holidays generally observed, in the different provinces, have been established by custom and convention. With respect to labour contracts there are four ways of treating statutory holidays. First, no work will be performed on that day but a regular day's wage will be granted each worker. Second, work will be performed on that day and the workers will receive a premium over and above their regular wage. Third, no work will be performed on that day and the workers will receive no wage. Fourth, work will be perfomed on that day and workers will receive only their regular daily wage.

Unions representing industry request the first two methods, while unions representing the trades request only the second one. It is common in industry to grant workers a day off and pay them their regular wage. Some contracts in industry, however, provide

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[1]There are approximately nine holidays on the statute books of all levels of government applicable to Alberta. Technically speaking a municipal government does not declare a statutory holiday, but rather a civic or municipal holiday.

for a mixture of the first and second methods. At present, no trade is granted a day off with regular pay; the usual procedure is to pay premium rates for work performed on a statutory holiday.[1]

In addition to the treatment of statutory holidays, the largest area for dispute centers around the number of holidays that the chosen treatment will apply to; each statutory holiday is not necessarily observed by all employees. From the study data it appears that nine statutory holidays have been adopted as a maximum towards which union requests tend to gravitate. Figures frequently cited in union briefs demonstrate that over two-thirds of the industrial work force in Canada receive at least eight holidays.[2] It is not necessary to examine the disputes individually and only the conclusions are included here.

A reliable indication that there is no inviolable standard governing the statutory holiday issue is the fact that conciliation commissioners and conciliation boards recommend a varying number of holidays for settlement of disputes. Thus, it appears that these bodies recommend the number of holidays that they feel will be compatible with a firm's economic condition but still acceptable to the union. Thus, acceptability of the number of holidays, by both sides, becomes the major criterion for arriving at a figure.

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[1]Due largely to the seasonal and irregular employment of workers in the trades the concept of remunerating workers for a day of rest has not been accepted. However, a plan now growing in favour is that of granting workers a flat rate of two per cent of their gross earnings each year in lieu of paid statutory holidays with the day off. This bonus is in addition to the premiums granted workers when they perform work on statutory holidays.

There seems to be no necessity to grant the standard of nine paid statutory holidays. Statutory holidays appear to be a tactical issue in collective bargaining whether the number requested is less than the prevailing standard or in excess of it. The standard of nine statutory holidays is a goal towards which unions move, but generally workers will not strike over the issue. Thus, it would appear that statutory holidays have a residual claim in collective bargaining. If basic wages and other fringe issues are favourably settled, then disputes involving the statutory holiday issue will not be of a serious nature. Although there may be exceptions,[1] statutory holidays appear to have low priority in the union bargaining package. Thus, in the disputes involving the holiday issue it is unlikely that this issue played a major role in creating the dispute.

Annual Vacations

There are two parts to the annual vacation proposal. First, there is the problem of determining the length of the vacation period to be granted. Second, how many years of employment with a firm is necessary in order to qualify for the determined length of vacation.

Unlike the issue of statutory holidays, annual vacations are governed by regulations contained in the Alberta Labour Act.[2]

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[1] If basic wages and other fringe issues are not settled favourably then the union may wish to gain an increase for the workers in the form of increased statutory holidays. There was no evidence of this in the study data however.

[2] Revised Statutes of Alberta, Sec. 43.

Authority is given the Board of Industrial Relations to grant employees, who have been employed for a full year, a minimum vacation of one week with pay. Provision is also to grant employees, who have worked longer than a year, a maximum of two weeks of vacation with pay.[1] Seasonal workers are covered by a provision that requires the employer to pay a certain amount of money to the workers in lieu of a vacation with pay. The amount has been established at four per cent of the worker's gross pay during his period of employment.

The conditions set out in the Act only establish minimums and are subject to the discretion of the Board. Therefore one of the first requests by unions is for two weeks of vacation with pay for workers who have completed one full year of employment. The next request is for three weeks of vacation. The qualifying period for this length of vacation has been established by custom at fifteen years. An extension of the holiday issue recently appearing is that of requesting four weeks of vacation.

Unlike other fringe issues the majority of the disputes in this section involved requests for conditions in excess of the prevailing standards. Part of the explanation is likely to be the fact that the standards are not as well defined as for the other fringe issues. As will be seen, the standards are very fluid and it may be incorrect to state, as above, that the fifteen year qualifying period for three weeks of vacation is actually a standard.

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[1]This does not necessarily mean that two weeks of vacation after one year of employment is statutory.

One conclusion that can be offered, however, is that the one year qualifying period for two weeks of vacation is a rigid standard. In three disputes involving this issue, the conciliation commissioners and boards upheld the union requests.[1] In all cases management eventually granted the requests. It would appear that the issue is very basic to employment per se and would be an issue that unions would press with conviction.

During the years covered by this study there was no dispute caused by the request for three weeks of vacation after fifteen years of employment. There were, however, several disputes caused by union requests for a lowering of the qualifying period to twelve, ten, five and one year. The recommendations of the conciliation commissioners and boards vary considerably from dispute to dispute and indicate that the issue of three weeks vacation before fifteen years of employment is a long range proposal that will not be pressed with much conviction.

Three disputes involved requests for three weeks of vacation after ten years of employment.[2] The unions did not employ comparative criteria. In one dispute the union's request was founded on the claim that vacations played a necessary role in the retention of senior employees. Management cited the fact that only slightly more than three per cent of Canadian plant employees received three weeks of vacation before fifteen years of employment. In two of these disputes the conciliation board upheld the union requests, but in the

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[1]L.R. No's. 48, 1235, and 1331.

[2]L.R. No's. 226 and 2076.

third it recommended no change from the present fifteen year qualifying period.

Five disputes involved union requests for three weeks of vacation after five years of employment.[1] The unions offered no comparative criteria and the employers resorted to statistics indicating how few workers received three weeks of vacation before ten years of service. In two of the disputes the conciliation board recommended that the qualifying period be cut from fifteen to ten years.

In another dispute the union requested a reduction in the qualifying period from ten to one year; the conciliation board recommended five years and both parties accepted.[2]

Only two disputes have occured over the issue of four weeks of vacation.[3] In these disputes the conciliation boards recommended four weeks after twenty and twenty-five years of employment. In neither case, however, was the four week vacation period adopted.

How significant are union requests for annual vacations in causing disputes? Requests for two weeks of vacation after one year of employment will be heavily pressed by the unions. This type of request represents a basic industrial standard and both union and management are under compulsion to meet it. It appears that basic vacations are a more important issue than basic statutory holidays.

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[1]L.R. No's. 48, 723, 2077, and 2078.

[2]L.R. No. 285.

[3]L.R. No's. 707 and 1225.

Requests for a shortening of the fifteen year qualifying period for three weeks of vacation, can be considered as long range requests, or tactical bargaining proposals. No standards have as yet been established to judge these requests. The qualifying period varies from firm to firm and is established in each case by the forces acting upon collective bargaining.

It is unlikely that a serious dispute would occur as a result of a union request for a three week vacation period requiring less than fifteen years employment as a qualification. Since the majority of disputes involving the vacation issue centered around this type of long range request it can be concluded that the issue of annual vacations has not been a major factor in creating disputes.

CHAPTER VI

UNION SECURITY

It was established in the Preface that disputes involving the issue of union security fall outside the main analysis of this thesis. While disputes involving basic wages and fringe issues can be fitted into the wage determination model presented in Chapter I, union security cannot. An increase in union security is not considered a direct addition to a worker's real income, nor to a firm's operating costs. Union security is sought so that union influence can be strengthened and in the future become more capable of obtaining greater benefits for the workers.

Since the issue of union security is initially a non-economic matter, it follows that neither union nor management criteria are based on economic data. It is also doubtful whether much insight into causes of disputes can be gained by examining the proposed criteria of each party. The analysis employed throughout this thesis has been to establish the criteria used by each side and then examine where the basic conflict in criteria occured. Assuming that the parties were bargaining in good faith, the conflict represented the real cause of dispute. However, the criteria supporting or rejecting the issue of union security are largely window dressing for the sake of conciliation boards and the public. The real cause of dispute is a serious conflict of basic beliefs concerning the role of unions. Unions want greater security in order that

They may become a more influential and powerful force in industrial society. Management opposes the increased union security because it will curtail and inhibit managerial decision, especially with respect to hiring and firing.

However, since the issues of union security is second only to basic wages as a cause of dispute it is impossible to conclude this thesis without discussion of the issue. This chapter is divided into four sections. The first section will define the concept and enumerate the major forms of union security. The second section will provide a brief outline of labour legislation in Alberta as it has affected union security. The third section will deal with the individual disputes, and present some of the criteria employed in proposing and rejecting union security. The final section will present several disputes that have stemmed from a variation of the basic union security issue; these are disputes involving the problem of contract coverage and the geographic limitations placed upon union security.

The Concept and Forms of Union Security

Unions have long insisted that they be protected against arbitrary and subversive actions of employers, employees, and other unions. This protection has been guaranteed by such provisions as the following: union recognition and compulsory collective bargaining, the automatic payroll check-off of union members' dues by the employer, and the union shop that requires every worker in a recognized bargaining unit to become a union member.

Essentially, there are two types of union security, financial

and membership. The automatic dues check-off is an example of a provision designed to yield financial security. The union shop is an example of membership security. This latter type of security gives the unions authority to discipline the work force in accordance with its constitution.

Before discussing the particular forces which may tend to subvert union strength it is interesting to note the general comments of several observers on the subject of unionism's desire to strengthen its position in industrial society. Reynolds observes that:

> Union leaders are interested in promoting the welfare of the union members as individuals. They are also interested in increasing the power of the union as an institution.[1]

As mentioned in the introduction to this chapter both of these objectives are related and mutually reinforcing in the long run. The more permanent and secure the union becomes, the more effective it will be in securing benefits for the workers it represents. It is not intended to enter into the debate concerning which of the above objectives dominates union philosophy.[2] It is enough to accept either or both of the objectives stated in Reynold's observation to conclude that union security is requisite for fulfilment of either one.

Sultan has generalized on unionism's desire to obtain union

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[1]Reynolds, Labour Economics and Labour Relations, p. 12.

[2]For an extended treatment of the view that union actions are guided by political, or non-economic considerations see: Ross, Trade Union Wage Policy.

security provision:

> The desire to secure such provision reflects the traditional insecurity of the union in the face of hostility of the employers, the courts, and in some instances of the rank and file itself. Unions are, therefore, anxious to formally establish the sovereignty and permanency of their organization.[1]

Sultan maintains that the security clauses are necessary to maintain the permanency of the union as an institution. However, through the security of the union it becomes possible to make the worker more secure.[2]

At the local level one union official, in Alberta, stated his reasons for requesting written security provisions in collective agreements. He maintained that before the automatic dues check-off was instituted a union official had to make the rounds every month to collect union dues. This brought the official into close contact with the men and close rapport was established between the union entity and the workers it represented. Since the institution of the check-off, however, communication between the union and its members has become so impersonal that union leaders no longer even know the names of most of their rank and file supporters. As a result, the solidarity created by the personal communication system, has had to be replaced by written contract provisions forcing the men to adhere to specified union regulations.

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[1]Sultan, p. 273.

[2]Reder has extolled the value of the union in terms of the protection it offers the worker from the arbitrary actions of employers. He also notes that unions play a positive role in mobilizing the power of low income groups. Particularly the first and perhaps the second aspect would not exist in a free market, non-unionized economy. M.Reder, "Job Scarcity and the Nature of Union Power," Industrial and Labour Relations Review,XIII (April, 1960), 349.

This official's statement coupled with those of Reynolds and Sultan, indicates unionism's desire for written security provisions in order to bolster the strength of union organization. Specifically, what are the undermining forces which union security provisions are designed to thwart?

There are four major forces which operate to undermine union power. First, management because of its role as employer, can subtly work to weaken worker enthusiasm toward the union.[1] Second, if the workers are committed to support one union, then in the short run the deteriorating effects of rival union organizing efforts will be reduced. Third, after the union has succeded in securing basic benefits for the workers the workers may lose enthusiasm, become apathetic towards the union cause, and let their membership lapse. Fourth, labour turnover may dilute or remove the union's majority in the plant if new members are not required to take out membership. This point is well illustrated by the fact that in one district, represented by a union, the membership increased from 4,000 to 25,000 in a thirteen year period. However, to get this net increase of 21,000 it was necessary to take in 91,000 members.[2]

The following discussion on forms of union security enumerates them in ascending order of security afforded the union. Union security can be thought of as a continuum, being limited by

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[1]Management may discriminate in favour of non-union employees by allowing them the greater proportion of promotions, overtime work, and other benefits. These discriminatory actions, although illegal, can nevertheless be accomplished.

[2]Chamberlain, Labor, p. 211.

no security, or the open shop,[1] at one extreme, and either the union or closed shop at the other. A union regards any form of security less than the union or closed shop as a compromise solution. Due to the nature of the bargaining process, that of granting small concessions each round, union security will usually pass through all of the forms on the security continuum.

For the purposes of this chapter seven forms of union security are isolated and examined. First, unions attempt to gain recognition as sole bargaining agents for workers in a specific plant. This form of security was granted, in the United States, by the passage of the National Labor Relations (Wagner) Act in 1935. This Act forced employers to bargain with unions in good faith if a majority of the employees affected chose to be represented by the union. Before the enactment of the Wagner Act, union recognition as sole bargaining agent had to be obtained by strikes and boycotts. There was little of what could be called collective bargaining. The present bargaining process was preceded by a process of making inflexible unilateral demands which inevitably led to work stoppages.[2] It was not until the Norris La-Guardia Anti-Injunction Act was passed in 1932 that labour even had the legal sanction to combine.

Second, unions attempt to obtain an irrevocable dues check-off.[3]

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[1]In an open shop there are no union security provisions. The questions of union financial support and membership are decided upon voluntarily by each individual. The closed shop is discussed infra.

[2]Chamberlain, Collective Bargaining, Chapters i-ii.

[3]For a note on the significance of the irrevocable dues check-off see: supra., chap. II.

The dues check-off saves the union considerable time and expense. More important, however, the irrevocable dues check-off guarantees that union members will contribute to the union for the duration of the existing contract.

Third, the union attempts to obtain a Rand formula,[1] or dues shop, security provision. This requires that all workers in the shop render an amount, equal to union fees, to the union whether they become union members or not. This provision eliminates the free rider but still does not give the union solidarity or disciplinary power over the work force.

Fourth, the union attempts to obtain a maintenance-of-membership agreement. This type of security was conceived by the National Labor Relations Board, in the United States, as a compromise solution between the open and closed shop provisions. Maintenance-of-membership security requires members to maintain their membership throughout the duration of the contract once they have voluntarily joined. Following adoption of this form of security a hybrid form evolved that required all new workers, hired after a specific date, to join the union. Workers who have been on the payroll before the specific date are not required to join the union. However, neither of these forms of security give the unions the 100 per cent solidarity in membership that they claim is necessary for purposes

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[1]This form of financial security derived its origin from Justice Rand who proposed, as the basis of settlement in one dispute, that all workers should regularly contribute to the union, amounts equal to the union dues. He based this decision on the rationale that unions have been responsible for increasing worker benefits, therefore every worker should financially support the union. The further question of union membership was thus left up to the individual worker.

of discipline.

Fifth, the unions attempt to obtain, what has become the most common form of union security, the full union shop. This requires that all workers join the union within a specified period, usually thirty days, as a condition of employment.

Sixth, unions endeavour to obtain a union hiring hall or preferential hiring provision. This requires that union members be given preference in hiring, and hiring is done through the union office. Non-union workers can only be hired if no union men are available, but even then the worker must usually be approved by the union.

Seventh, the extreme to which union security attempts are carried is the closed shop. This form of security requires that all new workers hired must belong to the union. In effect the union becomes the sole employment agency for the employers. The closed shop security provision was rendered illegal, in the United States with the passage of the Taft-Hartley Act in 1948. The closed shop is not illegal in Alberta.

Development of Union Security Legislation In Alberta[1]

The only piece of labour legislation governing industrial relations in Alberta prior to 1925 was the Federal Government's Industrial Disputes Investigation Act passed in 1907. This Act initially required compulsory governmental inquiry into disputes

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[1]This section draws heavily from the material contained in Anton's two books: Role of Government in Settlement of Industrial Disputes, and Government Supervised Strike Votes (Montreal: CCH Canadian Lt'd., No date given).

before a work stoppage could be effected. The Act applied to all industries under federal jurisdiction, employing ten or more workers. In addition, the coverage could be extended to include any industry outside federal jurisdiction if either party to the dispute agreed. This was later amended so that both parties had to agree to federal intervention. The Act was challenged in 1923, and in 1925 the Judicial Committee of the British Privy Council ruled the Act ultra vires of federal jurisdiction.

The first labour legislation passed by the Alberta Legislature was in 1926. It closely resembled the Industrial Disputes Investigation Act except that strikes and lockouts were prohibited before disputes were referred to the government. This legislation was designated as the Labour Disputes Act.

Labour legislation was later extended because:

> The early thirties were characterized by severe unemployment. With the passing of legislation favourable to labour in the United States (Norris La-Guardia and Wagner Acts), coupled with the public demand for greater attention to the problems of unemployment, unions in Canada began an active organizing campaign.[1]

The Alberta Government enacted the Industrial Conciliation and Arbitration Act in 1938, thus repealing the 1926 legislation. For our purposes in this chapter the major feature of the new legislation was the recognition of the right of unions to bargain collectively if the union was selected by a majority of the workers affected. Failure to bargain collectively on the part of the employer could result in a fine.

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[1]Anton, Government Supervised Strike Votes, p. 18.

In addition to the basic security offered by the 1938 Act, provision was made in 1946 for employers to check-off union dues if a member so requested. However, this provision, can be revoked by the member after a period of three months from the date of the request.

Two features of labour practice should be mentioned before examining the role played by the union security issue in the creation of disputes. First, as already cited in the introduction, there is no legislation in Alberta outlawing the closed shop provision. Second, there is no legislation prohibiting employers from replacing strikers. However, if the men are not re-hired after the termination of the strike and feel they have been dismissed without just cause they may appeal through the courts.

Union Security as a Cause of Disputes

In this section, since it is doubtful that the criteria presented are of much value, the disputes and criteria will not be examined in detail. The disputes can be divided into three sections according to the type of union request. This approach will help to draw out some general conclusions with respect to the issues of union security as a cause of disputes.

The three categories of union requests are; industrial union requests for forms of security that provide less than full union shop security, industrial union requests for union shop security, and trade union requests for forms of security greater than that provided by full union shop security.

The division between the first two categories is created

by the fact that the maintenance-of-membership provision coupled with the Rand formula is the predominant form, if not exactly a rigid standard, of union security.[1] This conclusion is further reinforced by noting the frequent appearance of this combined form of union security in the recommendations of both conciliation commissioners and conciliation boards. Thus, from the findings of the last three chapters, it should be expected that union requests for union security conditions equal to the maintenance-of-membership and Rand formula form will be substantiated by comparative criteria. Union requests for conditions in excess of this form will be substantiated by different criteria, some of which will be examined below. The question of the sincerity and validity of these criteria has already been raised.

Following examination of some disputes involving the two types of industrial union requests, disputes involving the trades will be examined. In addition, some suggestions are made as to why a difference exists between the prevailing security standards in industry and the trades.

The first group of disputes to be examined are those deal-

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[1]The only available study revealing the relative proportions of different union security provisions, contained in collective labour agreements in Canada, was compiled in 1954 by the Federal Government's Department of Labour. The results were published in the Department's 1954 issue of the Labour Gazette,LIV. The study revealed the following breakdown: closed shop, twelve per cent; preferential hiring, three per cent; union shop, thirteen per cent; maintenance-of-membership and Rand formula, twenty-four per cent; no union security provision, forty-eight per cent. The study also pointed out that the closed shop agreements almost all involved the trades. In addition many of the union shop agreements also involved the trades. These figures support the probability that less than ten per cent of industry contracts grant security greater than the maintenance-of-membership and Rand formula form.

ing with union requests for security equal to the combined maintenance-of-membership and Rand formula form. In two disputes[1] involving union requests for the Rand formula the union criterion was based on a desire to eliminate the free rider. The tenor of management's refusal was that it was undemocratic to submit workers to a compulsory financial burden; the employee should not be compelled to join the union and support it financially. In both disputes the conciliation boards upheld the union requests.

One interesting dispute involved requests for maintenance-of-membership, irrevocable dues check-off, and the right to reject any member for union membership.[2] This dispute is a good illustration of the criteria offered by both sides and also emphasizes the bitterness management often holds against unions. The union based its request on the fact that union security provisions were increasingly being included in contract agreements. Management made it plain that it resented the union's certification. The company held that the union organizer had tricked the men into signing dues check-off cards. Management further argued that individuals should be free to join or leave the union and also that it was the union's job to collect dues, not management's. The conciliation board recommended the maintenance-of-membership and dues check-off provisions. Management rejected the award. The union's certificate was shortly thereafter revoked, partly due to the fact that from the date of certification to the time of dispute there had been a

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[1]L.R. No's. 285 and 1424.

[2]L.R. No. 1503.

sixty per cent turnover in the labour force, causing a dilution of the union's membership.

In three other disputes involving union requests for the maintenance-of-membership provision the conciliation board upheld the union requests.[1] However, in only one dispute did management grant the requested security provisions.

The greatest number of industrial disputes involved union requests for security conditions in excess of the standard.[2] All of the requests were for full union shop security. It is not necessary to examine the criteria used by each side in every dispute; only a few general criteria will be presented here because they fully represent the feelings of both parties. Two points should be mentioned beforehand. First, because the requests are for security conditions in excess of the standard, the unions are generally unable to use any comparative criteria. Rather, the criteria, or arguments, are based largely on basic beliefs. Second, in each dispute the conciliation boards do not recommend the union shop.

Some of the following arguments were presented by the unions in substantiation of the union shop. In one dispute the union brief outlined the reasons for wanting a union shop security provision.[3] The union claimed that there should be 100 per cent participation in discussions affecting working conditions. Furthermore, it is neces-

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[1]L.R. No's. 1145-A, 1971, and 1972.

[2]The combined security form of maintenance-of-membership and Rand formula, while not being a rigid standard such as the forty hour week, will throughout this chapter be referred to as the union security standard.

[3]L.R. No. 1188.

sary for the union to be able to reject prospective members because the union could not tolerate any Fascist or Communist elements in its ranks. Finally, the union pointed out that this particular trade had been granted security by two other companies in Alberta.

In another dispute the union argued that a union shop was a prerequisite for harmonious labour-management relations.[1] If security was granted, the union would not have to demand spectacular increases each year in order to hold its membership. With security assured, the union could keep its demands attuned to business conditions.[2] The union brief also employed the analogy between the necessity of having unanimous payment of union dues, and unanimous payment of taxes by citizens. The brief claimed that in both cases benefits were enjoyed by everyone and therefore everyone should pay. The union argument concluded that union shop security was also necessary for disciplinary purposes.

The same union issued a different argument in another dispute;

> Where the union is not secure, it is compelled to attempt to restrict the employer's discretion at every point where he may discriminate against members in favour of non-members.[3]

In the following dispute the general criteria used by all unions were best illustrated in the union submission.[4] The union

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[1] L.R. No. 1226.

[2] Recall, that these two conditions must be fulfilled before Reder's bargaining maturity can be achieved. However, whether full union shop security is necessary to achieve this state is another matter, supra., chap. I.

[3] L.R. No. 1226.

[4] L.R. No. 1011.

claimed that since all workers in the shop shared union benefits they should all share in the making of the decisions. Also, that management, by failing to grant unions but the barest of recognition, generated the feeling that unions were inferior bodies and transitory phenomena. This feeling was contradictory to healthy bargaining conditions. The union must be recognized as an integral and permanent institution in industry. The submission further noted that employers urged that unions be made more responsible for worker conduct, while at the same time withholding from the union the main instrument of discipline, the union shop. The union was thus placed in an ironical situation; it presented all of the workers but yet it did not have the right to discipline them all. The brief concluded that:

> Without union security, the union cannot guide the employees toward participation in achieving greater productivity, closer co-operation, or a deeper sense of responsibility.

Management's opposition to requests for union security has not varied according to the form of security requested. The format and the tenor of managements' opposition is indicated by the following two illustrations. In one dispute management stated that no worker should be forced to join a union, for this was a basic denial of freedom and a repugnant practice in democratic society.[1] Each individual worker should be allowed to decide on the issue of union membership for himself. While this certainly represents the formal criteria put forward by management for the sake of public consumption, the following illustration more closely parallels managements' basic opposition to union security.[2] In this dispute management objected

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[1] L.R. No. 39. [2] L.R. No. 1561.

to the request for a union shop on the grounds that it did not want to force workers to join or contribute to a union. The brief stated:

> No new arguments are advanced by the employer other than those so often repeated in the past, as this seems to be a matter of personal belief and conviction with which one either agrees or disagrees.

The fact that personal beliefs are so heavily involved in the issue of union security completely removes the issue from the field of objective economic analysis.

As indicated in the introduction to this section there is a well defined difference between disputes involving industry and those involving the trades. The difference derives from the fact that the trades have already been granted preferential hiring security and there is little gain to be made, or desired, with respect to security. This form gives much greater security than the present industrial standard of maintenance-of-membership and Rand formula. Actually, preferential hiring is little different than the closed shop since the employer must hire union members first, and can only hire non-union workers if the union cannot supply an adequate number of union workers within forty-eight hours. Even then the non-union workers must file application for union membership within thirty days.

Why have the trades been able to obtain preferential hiring or closed shop security conditions, while industrial workers have only obtained the combined form of maintenance-of-membership and Rand formula? One reason stems from the nature of the jobs. In industry, jobs are permanent, but in the trades the workers are constantly being laid-off and re-hired. In addition, during the

winter months employment of tradesmen is far below employment in the summer months. Trade unions thus find closed shop security necessary in order to parcel out work evenly to an almost always surplus labour force. The employer who often is faced with the task of hiring project work forces several times in a construction season benefits by having all qualified tradesmen registered at the union office. In industry, however, training is learned on the job, there is a small turnover of workers, and consequently there are few surplus and skilled workers. Therefore, on the job training coupled with the premanency of the work force provide a degree of natural security not found in the trades. Industrial unions will usually settle for a union shop as the extreme in security, but the trade unions seek preferential hiring or closed shop security as the ultimate form.

Another possible reason was suggested by an official with the Alberta Board of Industrial Relations.[1] The majority of the trades have been longer organized in Alberta; the bulk of industrial development in Alberta having occured only recently as a result of the discovery of oil and gas in Alberta.

A third reason may be the result of the past practice of the trades controlling worker entry into the trade. Today the apprenticeship program is administered by the provincial government but it could be that the past practices led to the entrenchment of

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[1]Discussion with Mr. H. C. French, Secretary to the Alberta Department of Labour. Mr. French emphasized that this was only a suggestion and was not necessarily a conclusion borne out by study.

the closed shop in the trades.

What is the nature of the union arguments employed in requesting preferential hiring and closed shop security? In two disputes the unions wanted the employers to do all the hiring through the union offices.[1] The unions complained that when incompetent non-union men were on the job, union men shared the blame for their poor work efforts. The unions argued that this blame was not justified since the union tradesmen took great pride in their work and were all fully competent. The brief concluded that all men should be hired through the union since the union guaranteed a high level of work quality.

One dispute was created by management's request to delete all union security stipulations from the existing contract.[2] Management requested an open shop with no automatic check-off of union dues. It stated that the union should not exist for the perpetuation of the entity itself, but rather to promote better wages and working conditions. This argument represents a basic and widespread belief of management with respect to the role of the union in industrial society. Management is unwilling to recognize unions as permanent institutions with power to determine and influence the conditions under which workers must perform. The reason for this view was explicitly spelled out in one dispute in management's opposition to a closed shop proposal. Management claimed that the closed shop did not give necessary flexibility to management in its hiring and firing procedures.[3] As one union official has stated, management

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[1] L.R. No's. 1016 and 1160. [2] L.R. No. 194.

[3] L.R. No. 1659.

considers itself to possess the divine right to hire and fire.

What conclusions are reached concerning the role of union security as a cause of dispute? Unions desire written security provisions so the union entity itself can be more permanent and influential. For our purposes it does not matter whether increased union power is sought for purposes of creating a greater influence in industry per se, or increasing the welfare of the workers, or both. The only point that it is necessary to establish for this study is that unions do seek more power. Thus, many of the criteria presented by the unions are not well founded, but are merely window dressing.[1]

On the other hand, management is direct in its opposition to requests for union security. Union security places restrictions on the hiring and firing policies of management and it resents the endroachment of union influence on these fundamental rights.

Unlike the other issues dealt with in this thesis, the issue of union security is not considered a direct cost item by management. Nor, on the other hand, is union security considered to be a direct income item by the workers. Resolution of disputes involving union security cannot be approached or solved by appealing to the wage determination theory presented in Chapter I. Arguments on both sides

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[1]Unions often employ the following arguments for union shop security; it is necessary so that the union can keep out alien elements; all workers are affected by union decisions, therefore they should all become union members; the union can become an asset to the company once its membership is secure. These arguments are window dressing since they do not represent the union's real desire for security, power.

of the security issue are founded on basic beliefs rather than dollars and cents.

Recognizing these differences it was still found expedient to categorize disputes according to the type of union request. Specifically, whether the request was for conditions equal to the industrial standard, or for conditions in excess of the standard. The industrial standard was ascertained to be a combination of the maintenance-of-membership and Rand formula security provisions.

In disputes involving requests for security equal to the standard, the unions did not make frequent reference to this standard as a criterion, but rather argued on the grounds that union security was beneficial to both worker and management. While the standard was consistently upheld by the conciliation boards, management did not feel compelled to grant the standard. Management argued mainly that compulsory payment of dues, invoked by the Rand formula, was not a democratic procedure.

The situation is different with respect to union requests for security in excess of the standard. Recall that union requests for overtime premiums, holidays, and vacations in excess of the standards were not considered as serious causes of dispute because no other firm was granting the requested conditions. In these instances there was no compulsion on either union or management to meet the proposed increase in standards. However, union security is a different issue since it can be thought of as a continuum bounded on the one end by the open shop and at the other by the union or

closed shop.[1] Until unions secure the extreme form of security they will not be ultimately satisfied.[2] This occurs because the ultimate objective of the union is power, which is made more easily attainable by written security provisions and the resultant control over the work force. Thus, while there may not be any membership compulsion on the union to secure the union shop there is a strong desire for the union shop created by the union entity itself, as a result of its quest for more power. Thus, it is concluded that the issue of union shop security is created by forces from within the union entity itself and not from forces generated by the membership. It is only if a direct link can be established between security and present take home pay that the workers will become agitated by existing inter or intra-industry security differentials.

Since union security is unlike the fringe issues, it is not an issue that management will concede if all other issues are settled favourably. It is concluded that the issue of security was an important cause of disputes. In fact, because the issue of security is rooted in strongly held beliefs it is concluded that requests for security are not only a major cause of strikes, but that workers will often have to strike in order to obtain security.[3]

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[1]Recall that trades seek the closed shop, and industrial unions the union shop.

[2]The trades have obtained the extreme form of security and the following conclusions in the text apply to the workers and unions in industry. The greatest proportion of security disputes involved the industrial unions. The few disputes in the trades were of a special nature. They involved management's request to delete the closed shop provision from the contract, and for management to grant closed shop security as established in the master contract.

[3]This conclusion raises a paradoxical situation. Union

It is not likely that workers would feel as strongly about union shop security as they would about their first forms of security, such as the maintenance-of-membership and Rand formula. These latter forms of security afford the workers protection from discrimination, and eliminate the free rider. The union and closed shop security provisions are most important to the union entity itself because it places all workers under union discipline and control. However, it is interesting to note that the great majority of disputes involving the request for the union shop also included the basic wage issue. This might suggest that the inter-locking of these two issues is deliberately done so that workers have some direct monetary interest in the outcome of the dispute.[1]

Geographic Scope of Contract Conditions

Up to this point the question of union security has only involved the security granted one shop, or work place. However, a problem arises when dealing with the transient workers in the trades. The master contract, established between the trades and the Edmonton Builders' Exchange, stipulates that all contractors must hire their employees through the union offices. Since most contractors signatory to the master agreement also engage in work outside the City of Edmonton the question arises as to whether or not union men should

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security is designed to bind the work force into a power bloc, in order that certain requests may have the authority of the entire work force. This solidarity is especially needed if strike action is anticipated or used as a threat, but it is exactly this solidarity that is needed in the first place to gain union security.

[1]It is only suggested that unions consciously pursue this pattern.

be hired at the rural project sites.

The problem is not basically one of principle, as is the pure issue of union security, but rather of cost. If only union men are to be employed on out of city projects then it virtually requires that all the workers be brought out from Edmonton. The real issue has been created by the attempts of unions to have the employer pay the costs of transportation to and from the work site, or if the distance is appreciable, provide suitable room and board facilities. The cost of the room and board facilities are to be borne by both parties at a pre-determined proportion.

One feature governing contract coverage that has become an operating practice is a thirty mile scope clause. This contract clause stipulates that any construction done within a thirty mile radius of Edmonton's center will be performed by union men, and that they will be paid travelling time, or provided with room and board if a camp is established. Thus, the thirty mile scope clause is a compromise between managements' desire to honour the master contract only in Edmonton, and the unions' desire to have the master contract terms applicable to work undertaken by any of the signators, throughout the Province.

Before examining some of the disputes involving contract coverage it is necessary to examine the legal setting and other background information pertaining to this problem. The geographic jurisdiction of the majority of unions, referred to in this study, extends north of an imaginary line drawn east and west through Red Deer between the Alberta boundaries. This jurisdiction is established

by the unions' national or international headquarters. Certification of unions, as granted by the Board of Industrial Relations in Alberta, establishes compulsory bargaining between the applicant union and a specific employer. No geographic limitations are stipulated. Consequently, the union is certified to bargain with the specific employer anywhere within the union's jurisdiction.

The issue of geographic contract coverage has been involved in only fourteen per cent of the total disputes. However, all the disputes dealing with contract coverage involved the trades. Since disputes involving the trades were approximately only twenty per cent of the total number it means that the issue of contract coverage was involved in over seventy per cent of all disputes involving the trades. Not only has the issue of contract coverage been prevalent in disputes involving the trades but it has, on a few occassions, been the sole cause of dispute.

Only two disputes are examined in this section and while the real cause of dispute is a cost matter, the arguments presented by management include social and other considerations. Some of which are quite impressive.[1] While these arguments represent window dressing, since the real issue at stake is a pure cost matter, they do warrant consideration. Each dispute was the result of management's request to delete the clause requiring payment of travelling time, for union men brought out from Edmonton, to perform work within the

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[1]The briefs presented in these two disputes were extensive and representative of the issue, therefore, in order to keep repetition at a minimum other disputes are not examined.

thirty mile radius.

In one dispute, management pointed out that there existed within a thirty mile radius of the center of Edmonton such populated districts as Leduc, Nisku, Fort Saskatchewan, Jasper Place, Beverly, Devon, St. Albert, and Stony Plain.[1] All of these towns were self-supporting industrial and economic areas and it was not practical to hire workers in Edmonton and pay them travelling time when qualified tradesmen existed in these towns. Management had estimated that on the present project, the payment for travelling time boosted the labour costs by over twelve per cent. Management concluded its brief with an appraisal of the problem of hiring union labour on out of city projects. First, Edmonton would become the hiring center for all jobs in Northern Alberta, thus discriminating against rural craftsmen. Second, a pool of unemployment would gravitate to the city of Edmonton creating a social and welfare problem. Management's brief pointed out two existing conditions that fostered these trends. First, there was the union's reluctance to extend their organizational activities, at their own expense, beyond the city area. Second, the Board of Industrial Relations persists in granting blanket certification on a province wide basis, to correspond with the jurisdiction of the union as established by union headquarters in Washington, D.C.

The general tenor of this argument implies that if the unions wanted rates to be uniform throughout the Province, and equal to Edmonton rates then the unions should establish union

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[1]L.R. No. 1842.

membership throughout the Province. With qualified union tradesmen located throughout the Province, the problem of hiring only Edmonton workers and paying them travelling time would be removed.

Management proposed three conditions under which it would sign an agreement. On out of city work the company would give preference in hiring to local union members, followed by non-union local workers who would be expected to join the union in thirty days. If these sources were inadequate and labour had to be transported from Edmonton, union members would be hired and paid by the company for travelling time, and room and board.

A union official rebutted the company's recommendations with the statement that not enough work was constantly available in the small towns to keep tradesmen in the union. Although in an interview he did state, confidentially, that payment of travel benefits from Edmonton to those areas where qualified tradesmen existed was an unfair request.

In the other dispute the issue was caused by management's request to delete the preferential hiring security provision, as it applied to out of town hiring.[1] Management's brief contained four arguments. First, it stated that the addition of travel, and room and board payments created unnecessary costs that placed upward pressures on prices.[2] Second, the exclusion of rural labour from out of city projects caused poor public relations among the

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[1]L.R. No. 1528.

[2]The cost would be unnecessary only if qualified tradesmen existed at the out of city job sites.

union, company, and rural residents. The company pointed to two instances where the mayors of small centers had sent letters to government and company officials condemning the practice of hiring only union tradesmen. Third, poor public relations could spark a legislative investigation into the closed shop agreements in Alberta, with the possible result being more government intervention in industrial relations. Finally, the brief demonstrated that because close to fifty per cent of the total number of workers in Northern Alberta lived outside Edmonton's limits and only fifteen per cent of this total were unionized, the situation occurred whereby the majority of workers in Alberta were unemployable under existing closed shop agreements.

The real cause of dispute in these two cases was managements' concern for the increased costs created by the payment of travelling time, and room and board. It appears that this issue is one that management attacks whenever other monetary issues under negotiation have been settled in a manner unfavourable to management. This feature, combined with the fact that management opposes any form of closed shop security, on principle, makes it an important issue as a cause of dispute in the trades.

In conclusion it may be worth speculating as to why management ever allowed out of city travel, and room and board payments to come into existence and why it now resolutely opposes these payments. It has been this change in management attitude that actually caused the disputes. The explanation lies in the industrial and economic growth of Alberta's rural areas, particularly those with

close proximity to Edmonton. At a time when small rural areas had no qualified tradesmen available there was no alternative to transporting workers from Edmonton. Today, however, largely as a result of the oil and petro-chemical industrial boom, rural tradesmen exist. Thus, in some cases it is no longer necessary to hire tradesmen in Edmonton and transport them out to the project sites.

Nonetheless, the trend is towards larger coverage. Initially, the scope clause called for a ten mile radius from Edmonton's city center. It was later extended to thirty miles. The unions desired the thirty mile radius because it included the big industrial projects being undertaken in Fort Saskatchewan, Devon, and Nisku. The conciliation boards have in the past tended to side with the unions' ultimate desire to have the master contract recognized throughout the area under the union's jurisdiction.

It is likely that this issue will flare up regularly since management chooses to attack it whenever other issues have been unfavourably settled. There are convincing arguments, both of economic and social nature, to substantiate management's request for elimination of all travel payments.

CHAPTER VII

SUMMARY AND CONCLUSIONS

This final chapter is an attempt to summarize the major conclusions scattered throughout the first six chapters, and to state explicitly some conclusions that have only been implied.

There were three basic causes of disputes. First, disputes resulted from honest differences over what the parties thought to be a fair settlement. Second, disputes were caused by managements' attempts to break the union. Third, disputes were a cause of the actions of over-zealous unions and their officers.

Disputes of the second and third cause were outlined but not examined in detail. These disputes were founded on personal reasons, outside the sphere of honest and well intended collective bargaining. It was examination of the first cause of disputes that formed the basic subject matter of this thesis. The methodology used was to isolate the major criteria presented by each party in support of its final bargaining position. By identifying disputes as conflicts in criteria it was possible to denote the basic cause of dispute. The conclusions, according to the type of issue involved, are outlined below.

Union wage requests were found to be motivated by both a type of political compulsion, and changing economic conditions. If economic circumstances permitted a wage increase in a key industry or firm then the increase was transmitted throughout the economy, or

the region involved. This phenomenon resulted because workers saw other workers receiving increased benefits and therefore wanted them also. It then fell upon the union to secure these increases at the next contract negotiations.

While union requests are largely motivated by compulsion, the wage paying abilities of the individual firms are dictated by economic considerations in the long run. As a rule, the wages paid by various firms in a region follow a pattern and when the pattern shifts upwards each individual firm adjusts its wages to remain in the same relative position within the pattern. However, for a variety of economic reasons a firm may be forced to alter its relative position in the pattern. Naturally the workers and the union will become disturbed if the wages become relatively lower in the pattern than they previously were. Nonetheless, if the firm is to survive, a relative downward wage adjustment must occur. The ease with which this adjustment takes place will depend on the maturity of the bargaining relationship.

This understanding of the general wage determination process allows us to recognize two major causes of disputes. First, where no bargaining maturity exists it is implied that no mutually acceptable criteria have as yet been extablished by the parties for the purpose of adjusting wages. Second, when maturity, and the implied mutually acceptable criteria have evolved, dynamic economic conditions sometimes require a break from this past pattern, thus causing a dispute. In this case the bargaining relationship must re-mature.

Since marginal productivity is not measured it is the collective bargaining process that must provide an estimate of this value. This value is then translated into a wage, and relative wage patterns develop as indicated above. In the private sector the profits of the individual firms set a limit and establish a guide as to how high wages may go. However, the fact that the services of workers in the public sector are not sold on the market, and therefore governments have no profit guide, make it difficult to evaluate the wages of these service workers. Of particular interest to this thesis were the disputes arising from negotiations between the public school teachers and the public school boards.

The teachers' major criterion was comparability of wages with the wages paid university graduates employed in the private sector. The school boards generally held the view that the teaching profession was not comparable to the other professions either in necessary university training or in the actual nature of the work performed. Therefore, the boards concluded that teachers were not entitled to wages comparable to those of other university graduates.

It was evident that the school teachers and the boards had not achieved any acceptable method for establishing wages. The real cause of dispute, as reflected in the criteria, was a result of the post war emphasis on education and the subsequent increase in its standards.[1] Teachers no longer viewed their profession as a last

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[1]This change in emphasis can be illustrated by examining some selected wage figures. In 1926 an Alberta teacher's average yearly salary, in constant dollars, was $2,230. In 1946 the wage was $2,585, an increase of only $355 a year. However, in 1960, the same teacher's wage was $4,785, an increase of $2,200. Also, figures

resort means of employment. Therefore, teachers graduating from university expected to receive wages comparable to other similarly trained graduates. It was difficult for the school boards to shed their low wage paying habits acquired in the pre war depression. As a result the real cause of dispute was a basic conflict in beliefs as to whether teaching was comparable to other professions. It was therefore to be expected that disputes would result from this serious conflict in views.

In the industrial disputes, that dominated the total number of disputes, the union criterion that was the basis for the greatest number of disputes was intra-industry comparison with the wages paid workers outside of Alberta, especially in eastern Canada. The unions contended that no intra-industry wage differentials should exist. Management frequently rejected the intra-industry criterion on the basis that the industries being used for comparison were not the same type of operation. In addition, management often stated that if the higher eastern wages were granted it would have a disruptive effect upon the local pattern of wages. Conciliation boards did not recommend that the east-west differential be closed.

Management resolutely rejected requests for uniform national

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that compare the Alberta teachers' average salary with average earnings of the Canadian labour force strikingly illustrate the relative upward shift in teachers' salaries. In 1946 the teacher earned $170 per year less than the average worker in the Canadian work force. However, in 1960 the teacher earned on the average $1,122 per year more than the average worker in the Canadian labour force. For more extensive data see: E.J. Hanson, A Study of The Salaries of Teachers in Alberta, this study was prepared for the Alberta School Trustees Association, November 1961. pp. 38-39 for the above figures.

industrial wages. Thus, it would seem that the firms did not consider the higher wages compatible with their economic conditions. The real cause of dispute was a result of the unions persistent requests for intra-industry wage equality. It is concluded that bargaining relationships were not yet mature in those areas where disputes occured. This conclusion is based on two observations. First, over fifty per cent of the unions were either negotiating their first contract or had not yet received any form of union security. Second, industrial growth in Alberta has been largely a post 1946 phenomenon. With the greatest bulk of industry not being established until as late as 1952 it was estimated that the average length of the bargaining relationships in these disputes was not over five years.

It was also noticed that several other criteria often accompanied the intra-industry criterion. This raised the question as to whether these other criteria were compatible with the intra-industry criterion, or did the multiplicity of criteria indicate a certain amount of confusion, or lack of co-ordination behind the unions' demands. Generally it would appear that the ability to pay, and the increases in national productivity criteria were included to substantiate the claim that a company could in fact, afford to pay the higher wage rate. On the other hand, the pattern of national wage adjustments and the cost of living criteria were presented to establish and justify at least a minimum wage increase.

The second criterion used by the unions that provided the basis for several disputes was intra-industry comparison between firms

in the same region. The unions raised the wages of the key firm by employing national productivity and cost of living criteria and then used the higher wages of the key firm as a criterion for raising the workers' wages in other similar firms in the region. In the disputes examined it was apparent that the competitors had not as yet accepted the union's key firms as the wage leaders in the region. Presumably for economic reasons, the firms found it impossible to imitate the region's kay bargain. Lack of bargaining maturity again seemed to prevail here.

Disputes involving the trades have been of a special nature. The disputes have not resulted from negotiations designed to adjust a trade's general wage level as they have in industry. Instead, the disputes were caused by the reluctance of some firms to grant the master wage established by the trades and the Edmonton Builders' Exchange. The reasons for this reluctance were either that the particular urban firm was not a member of the Builders' Exchange and therefore had nothing to do with establishing the prevailing master rate, or that the firm was a rural concern and rural wages were generally lower for all classes of labour.

It is concluded that the reason for the paucity of disputes resulting from master contract negotiations between the Edmonton Builders' Exchange and the trades is the existence of an established trade wage grid. Relative wage rates had become established and it would be expected that attempts to deviate from it would be met with heavy disapproval. In addition to the stability of the wage grid, annual increases had followed a pattern of increasing five or ten

cents a year.

In the trade section it was obvious that the master negotiations between the Edmonton Builders' Exchange, and the trades were the key bargains for each trade and that they were closely adhered to by contractors throughout the region. They are closely followed because of compulsion created by the fact that many contractors tender bids on the same projects. Thus, it would constitute an unfair cost advantage if a contractor did not grant the rates established by the various contracts.

A general comparison of wage disputes involving the trades and these involving industry could be constructed around the key bargain concept. In industry it was found that many unions considered the wages paid in eastern Canada to be the comparative norm. However, this comparison was not recognized by management. In the trades, there is no doubt as to what the key bargain is, nor have there been many disputes including the wage issue at the master negotiation level. It seems plausible to conclude that the lack of disputes at the master contract level and the widespread acceptance of the relative wage grid are results of bargaining maturity. The fact that the trades have been organized much longer than industry and have obtained preferential hiring and closed shop security add credence to this conclusion.

It should not be concluded that disputes involving the trades will altogether disappear in the future. The above conclusion applies only to the issue of basic wages. It may be that disputes involving the fringe issues will disrupt the past bargaining relationships.

Unlike basic wages it was necessary to examine the issues of hours of work, shift differentials, overtime premiums, health and welfare benefits, holidays, and annual vacations in a different manner. Union requests for changes in any of these fringe issues were separated into two groups; requests for changes that would establish conditions equal to the prevailing standard, and requests for changes that would establish conditions in excess of the prevailing standard. The prevailing standard for each issue was ascertained by both examining the recommendations of the conciliation boards and by consulting national figures published in the various industrial journals. Excluding holidays and vacations it is concluded that national standards[1] prevail that govern the remaining fringe issues and that no inter-industry differences are tolerated. The union criterion for requesting these national standards was simply that they represented conditions that were granted by the majority of employers in Canada. Furthermore, the issues appear to be basic to the process of work per se and therefore not something that should vary from firm to firm.

Union requests for conditions equal to the prevailing standard are consistently upheld by the conciliation boards. The motivation behind this type of request is compulsion created by the rank and file. When differences in benefits involving shift differentials, hours of work, overtime premiums, and health and welfare premiums

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[1]The rigidity and national application of these standards apply to the fringe issues in the following descending order; hours of work, overtime premiums, shift differentials, health and welfare benefits, annual vacations, and statutory holidays.

exist between bargaining units, the rank and file become aware of them and agitate for a closing of the differential. It is concluded that union requests for conditions equal to the prevailing standard are a serious cause of dispute. However, with the exception of hours of work, most of the disputes concerning these fringe issues have not involved this type of request but rather have involved union requests for conditions in excess of the prevailing standard.

Disputes involving requests for shorter working hours, with the intent of bringing the weekly number into alignment with the standard are largely caused by the fact that the requests are accompanied by a demand that the weekly take home pay remain the same, or in some disputes increase. Now if there has been no commensurate increase in productivity, the dual request represents a significant increase in the operating costs of the firm. This occurs since the shorter hours reduce total output and cause revenue to drop while at the same time the increased hourly wages, caused by holding weekly wages constant, raise unit output costs. As a result, the firm is squeezed by falling revenue and rising costs. It is likely then that the union demands for shorter hours place the company in a position where it must oppose a reduction of the work week.

Still excluding holidays and vacations, it is concluded that union requests for changes in the fringe issues establishing conditions in <u>excess</u> of the prevailing standard cannot generally be considered as a serious cause of disputes. This type of union request plays two roles in the collective bargaining process. First, union requests for increased standards are long range proposals.

While the requests are of no immediate concern to the union they do serve to warn management of the direction and magnitude of future union demands. Second, the requests are employed for tactical bargaining purposes. These requests can be dropped from the bargaining package if management concedes some other request. The reason these requests are not a serious cause of dispute is because no other workers are receiving these requested conditions and therefore there is no compulsion from the rank and file to obtain them. Also there is no compulsion on management to grant the requests since no other firm grants them. Furthermore, conciliation boards always upheld the prevailing standards and never recommend the requested increases.

The next problem that begs examination is how do the standards change, if at all. The standards in Alberta will usually undergo change after a change has taken place in the United States or eastern Canada. However, it is possible with the exception of hours of work, that the standards may change as a result of negotiations in the local region. For example management may grant an increase in the overtime premium standard if it thought this more economically favourable than granting an increase in some other cost item.

Another feature that tends to support the conclusion that union requests for conditions in excess of the standards are not a serious cause of dispute is the nature of the criteria employed. The criteria used for requesting increases in the standards governing shift differentials, overtime premiums, and health and welfare benefits are no different than those offered for substantiating the right to receive these benefits in the first place. For example,

the rationale for granting shift premiums is that the workers become social misfits and therefore should be compensated for this condition. While this appears to be a valid qualitative criterion for granting shift premiums it is of no value in determining the exact quantity of compensation. Therefore, before any changes come about in the standards governing shift differentials, overtime premiums, and to some extent health and welfare benefits it seems likely that new criteria will have to be offered. However, it is on the basis that no new criteria have evolved that it is concluded that increases in fringe issue standards are not of major concern to the worker and therefore not a serious cause of disputes.

The situation with respect to union requests for a reduction in the standard work week is different. The criterion for requesting a shortening of the work week has changed. At one time the criterion substantiating requests for the forty hour work week that it would improve the workers' physical and mental health. However, today the criterion is that a shorter work week will help cushion the unemployment effects of automation. It should be explained that this latter criterion has not, and will not be the major criterion employed by the local unions for requesting a reduced work week. The automation criterion is employed in reducing the hours of work in the United States and eastern Canada. When the hours have been reduced in these areas then the local unions will employ comparative criteria using the shorter work week in the east as their basis for requesting a reduction. While the reduced forty hour week issue has not been a frequent cause of dispute it could become a troublesome issue in

the near future.

The issues of statutory holidays and annual vacations are different from the other fringe issues since the standards governing them are not as well defined and inviolable. The standards, or norms, governing holidays and vacations do not appear to establish conditions that must be met by management but rather they represent a goal towards which unions will inexorably advance.

Neither union requests for statutory holidays establishing conditions equal to the standard,nor in excess of the standard appear to have been a serious cause of dispute. The fact that unions frequently accept, and conciliation boards recommend, fewer than the standard number of statutory holidays indicates that this issue had a residual claim in collective bargaining. Generally, if basic wages and other fringe issues are favourably settled then disputes involving the statutory holiday issue will not be of a serious nature.

The majority of disputes involving the annual vacation issue concerned union requests for a shortening of the employment period qualifying a worker for three weeks of vacation. At present there appears to be no minimum standard. The maximum period has been established at fifteen years. While a basic minimum qualifying period has been firmly established for two weeks of vacation the minimum qualifying period for three weeks of vacation is constantly being lowered.

It is certain that management opposition to union requests for conditions equal to the basic standards governing holiday benefits would provide a serious source of conflict. In this respect holidays

are a more serious cause of dispute than statutory holidays. The fact that the recommendations of the conciliation boards are not consistent further substantiates the conclusion that union requests for increased holiday and vacation benefits are either tactical or long range bargaining issues.

The lack of precise standards tends to indicate that these issues are the last to be decided upon during collective bargaining. Also, the conciliation board recommendations concerning them will depend on the issues that have already been agreed on and upon which side has already been treated the most favourably. Likewise, the acceptance and rejection of certain holiday and vacation proposals by union and management will depend on how favourably other issues in the bargaining package have been settled.

All of the above conclusions regarding fringe issues do not apply to disputes involving the trades. To date, the trades have not received paid statutory holidays or annual vacations. The problem of instituting health and welfare benefits in the trades provides for a possible future source of disputes. The portable welfare scheme issue has already caused one serious dispute in the trades and the future of this issue in dispute is at present awaiting the outcome of the Federal Government's study of this problem.

It is concluded that in addition to the wage issue, union security has been the only other major cause of disputes. It was recognized that evaluation of disputes involving the union security issue could not be well handled by examining each party's proposed criteria. Unlike basic wages, where the guiding and limiting figure

is the worker's value of marginal productivity, the union security issue is guided and limited by personal beliefs. On one hand unions desire increased security so that they can exert greater control over the labour force and hence increase their bargaining strength and voice in industrial society. On the other hand management objects to union security because it permits the unions to infringe upon basic management rights thus reducing managements' influence and control in industrial society.

However, for the sake of public consumption during conciliation board hearings, both sides present criteria that do not represent the basic intentions and beliefs as outlined above.[1] While it was not considered important to examine the arguments presented it was held that examination of the disputes, along the same lines as the fringe issues were, would yield useful information concerning the role of union security as an issue in disputes.

The great majority of union security disputes involved requests by the industrial unions. It was found that the industrial standard governing security was a combination of the maintenance-of-membership and Rand formula. Union requests for security were frequently substantiated by subjective arguments demonstrating the need for 100 per cent financial and membership support from the rank and file. On the other hand, management felt no compulsion to grant the industrial standard even though it was upheld by the conciliation boards. The compulsion that usually exists when management is not

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[1]Although in some disputes management did come out with its true objections to union security.

granting the industrial standard governing some economic issue is absent here because union security is not a function of economic factors but of personal beliefs that naturally vary from management to management, evern within the same industry and region.

Most disputes involving union security were caused by union requests for security in excess of the standard; particularly requests for full union shop security. Unlike the union requests for fringe benefits in excess of the standards the requests for security conditions in excess of the standard are serious union proposals. It is concluded that the motivation for requesting full union shop security is generated by the union entity itself rather than by the rank and file. This follows because of the complete control that union shop security gives the union over the rank and file. The members are quite likely to lose interest in the success of union security increases once the union has obtained the combined form of security offered by the maintenance-of-membership and Rand formula. This combination of security eliminates the free rider and gives the worker a strong voice should he feel that management is discriminating against him on the job. The union shop seems to add little to the security of the rank and file. As a result of this it was found that disputes involving union requests for union shop security were always accompanied by a monetary issue. It was suggested that this may be so that the worker has some direct interest in the outcome of the whole dispute.

A different situation prevails in the trades since the trade unions have already obtained preferential hiring and closed shop

security provisions. It is concluded that the difference in the degree of security granted the industrial and trade unions is a result of two conditions. First, the seasonal nature of employment in the trades creates a surplus labour force. The closed shop permits the union to better distribute the available work to this always surplus labour force. Second, the trade unions have been organized for a longer time than the industrial unions.

Very few disputes have occured in the trades involving the issue of union security. This is only natural since it is impossible for the trades to obtain any further degree of security.

Disputes are a result of deadlocks in collective bargaining. Collective bargaining, where supplied, has become a replacement for the automatic wage setting process of the free market, and the unilaterally imposed wage process of management in the imperfect market. The basic aim of collective bargaining is to evaluate the worker's value of marginal product, whether his product is sold in the market or not. Since neither side can objectively, or analytically measure marginal productivity the collective bargaining process serves as a means of estimating this figure. To aid in this estimation comparative criteria are employed. It is the responsibility of the parties involved to establish some mutually acceptable criteria in order that wage adjustments can easily be carried out over time.

It is the parties themselves that know the limits within which the proper wage can be established. Management is guided and limited by the profits it earns. The union is guided and limited by the rank and file support it must maintain if it is to remain as

the rank and file's certified representative.

The final conclusion, based on a higher level of abstraction, is that labour-management disputes are caused by a lack of agreement concerning the appropriate criteria to be used for estimating the workers' value of marginal products. Furthermore, because economic conditions vary from firm to firm, and the views of union leadership and the rank and file vary from union to union, it is difficult and often impossible to predict these objective criteria that will be acceptable to both union and management for the purpose of reaching a final settlement. Furthermore, there is no guarantee that the criteria employed by the same parties will be constant over time. This further complicates the settlement of disputes.

There are two other questions that it would have seemed possible to answer with a study of this nature. These are: how effective is government intervention in resolving disputes, and how do relative bargaining strengths affect the stands taken by the parties.

An attempt to answer the first question properly would have necessitated an examination of numerous disputes that have been successfully settled at the conciliation commissioner level. It would also have required a follow through examination of the unsuccessful disputes that later terminated in strike action. This latter examination would have been necessary in order to evaluate the popular hypothesis that prolonged government intervention tends to make disputes more difficult to settle. These two necessities, plus the interminable amount of personal interviewing that would

have been required would provide enough material to establish a separate study, as indeed they have.[1]

With the limited data of this study it is only possible to advance two conclusions concerning the role of government intervention in industrial disputes. First, the recommendations of the conciliation commissioners and conciliation boards were clearly of an accomodative, or conciliatory nature; in effect they split the difference between the two parties' positions. This type of recommendation is opposed to normative recommendations that propose the economically correct solution but essentially disregard the positions held by the two parties. This conclusion is in agreement with what Cunningham discovered in his New Brunswick study.

Second, the representatives of each party on the conciliation board invariably forward recommendations favourable to their respective party.[2] While this is not surprising, human nature being what it is, it does illustrate the partial make up of the conciliation board, with the possible exception of the mutually selected chairman.

The significance of these two conclusions will depend on whether the conciliation boards in Alberta function as conciliation boards, or as arbitration boards.[3]

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[1]F.R. Anton, Role of Government in Settlement of Industrial Disputes. For a more limited study see: W.B. Cunningham, Compulsory Conciliation and Collective Bargaining: The New Brunswick Experience (Montreal: McGill University Press, 1958).

[2]In most instances the conciliation awards are made up of a majority and minority award.

[3]This question has already been raised in Chapter II.

A separate study would also be required to determine the affects of relative bargaining strengths on the outcome of disputes. As outlined in Chapter I, the relative bargaining strengths are based mainly on the elasticities of product and labour demand, and the elasticity of labour supply. To evaluate the effects of bargaining strengths on the parties' final bargaining positions it would be necessary to establish the economic variables affecting the elasticities of product and labour demand during the years that the various disputes occurred. Essentially, this would entail evaluating the state of sales in the product market and the rate of unemployment in the labour market. It would also be necessary to examine the past bargaining patterns of the two disputants in order to establish how their proposals have been affected by past and relatively different economic states in the labour and product market. It would only be by examining the collective bargaining case history of two parties that one could impute with any certainty the role of relative bargaining strengths as a factor in the creation of disputes.

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